

Full-year report 2005

Fourth quarter 2005:

- Consolidated revenues amounted to SEK 759.3 M (696.3), an increase of 9.1 percent compared to the corresponding period 2004. Organic growth accounted for 3.7 percent, exchange rate effects 5.1 percent and acquisitions 0.3 percent.
- Operating earnings (EBIT) amounted to SEK 120.3 M (115.0). This includes a write-down of a British IT system with SEK 30.3 M. Excluding this item, EBIT was SEK 150.6 M, an increase of 31.0 percent compared to the fourth quarter 2004. The operating margin, excluding the write-down, was 19.8 percent (16.5).

Full-year 2005:

- Consolidated revenues for 2005 amounted to SEK 2,823.2 M (2,740.5). The operating margin (EBIT) increased to 17.8 percent (15.7).
- Net earnings for the year amounted to SEK 333.6 M (323.4).
- Earnings per share before dilution for the full-year amounted to SEK 3.84 (3.68).
- Cash flow from operating activities improved to SEK 527.0 M (485.3).
- The Board of Directors proposes a dividend of SEK 2.25 per share.

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

SEK M unless indicated otherwise	Full-year 2005	Full-year 2004	Oct–Dec 2005	Oct–Dec 2004
Revenues	2,823.2	2,740.5	759.3	696.3
Operating earnings (EBIT)	503.6	430.6	120.3	115.0
Operating margin, %	17.8	15.7	15.8	16.5
Earnings after financial items	472.2	394.2	111.6	108.0
Net earnings	333.6	323.4	63.1	91.0
Earnings per share before dilution, SEK	3.84	3.68	0.74	1.02
Earnings per share after dilution, SEK	3.81	3.68	0.74	1.02
Current collection cases, million	13.1	11.6	13.1	11.6



Jan Roxendal

“The year 2005 was a record period for Intrum Justitia, and the Group’s position as Europe’s leading credit management company is stronger than ever. We are also pleased to note that Intrum Justitia raised its organic growth to 3.7 percent in the fourth quarter,” says Intrum Justitia CEO Jan Roxendal. “Every region, with the exception of United Kingdom & Ireland, reported higher revenues and earnings. Market conditions in 2006 are positive for our industry. Continued high consumption and increased demand for services to help businesses secure their liquidity are benefiting Intrum Justitia.”

January–December 2005: Revenues and Earnings

Consolidated revenues during the period January–December amounted to SEK 2,823.2 M (2,740.5), an increase of 3.0 percent. Organic growth was –0.2 percent. The effect of fluctuations in exchange rates was 2.2 percent. Revenue growth of 1.0 percent corresponds to the contribution from the companies acquired in Ireland and Slovakia.

The Group has strengthened its market shares in Italy, Portugal and Spain, and in Denmark, where Intrum Justitia now is the market leader. The Group has also gained market share in the *Purchased Debt* service line. Parts of Eastern Europe are reporting good growth. Sweden and Finland, both important countries, are also growing faster than the Group average. To overcome increased price pressure in England and Poland, among other countries, further efficiency improvements will be made.

The Group's increased focus on *Purchased Debt* and *Debt Surveillance* generated good growth during the year, a trend that was even more pronounced during the fourth quarter.

Operating earnings for the full-year 2005 rose to SEK 503.6 M (430.6). Productivity and cost efficiencies have increased for a number of Group companies, especially in Denmark, Germany, the Netherlands, Portugal and Spain, which produced further earnings and margin improvements. The operating margin for 2005 was 17.8 percent (15.7).

Earnings before tax for the full-year 2005 rose to SEK 472.2 M (394.2), while net earnings amounted to SEK 333.6 M (323.4).

October–September 2005: Revenues and Earnings

Consolidated revenues during the fourth quarter amounted to SEK 759.3 M (696.3). Of the increase of 9.1 percent, 3.7 percentage points is organic growth, 5.1 percentage points are due to exchange rate effects and 0.3 percentage points stem from acquisitions in Ireland and Slovakia.

Growth was good in Italy, Portugal and Spain as well as a number of Eastern European countries. A thorough cost control has contributed to an expansion in operating earnings of most countries.

Operating earnings amounted to SEK 120.3 M (115.0). Earnings include nonrecurring expenses of SEK 30.3 M relating to the development of an IT system for British operations. During 2005, two different IT projects were initiated, one in Norway and one in the UK. The Norwegian system is based on one currently used in Sweden and Finland, while the British system was a further development of the existing system. While the installation in Norway was successful and the system has been in operation since January 2006, the British system has encountered difficulties, which has resulted in a revised and extended implementation plan. As a result, the Group has decided to discontinue further development of the present British system and instead replace it with a new one based on the positive experience gained from the Norwegian installation.

Earnings before tax for the quarter rose to SEK 111.6 M (108.0), while net earnings amounted to SEK 63.1 M (91.0).

Geographic regions, October–December 2005

Sweden, Norway & Denmark

Regional revenues in the fourth quarter of 2005 amounted to SEK 163.3 M (153.6), an increase of 6.3 percent. Operating earnings amounted to SEK 31.4 M (24.9) with an operating margin of 19.2 percent (16.2). Sweden is stable at a high level. Norway faced major challenges during the

year, but is significantly better positioned for 2006 after the successful installation of a new production system that raises the efficiency and quality of its client offering. Denmark reported a steadily improving operating margin over the course of the year.

United Kingdom & Ireland

The region's quarterly revenues amounted to SEK 66.1 M (80.1), a decrease of 17.5 percent. Problems with an IT installation have affected collections from purchased debt portfolios.

Operating earnings of SEK –57.2 M consist of an operating deficit of SEK 26.9 M and the write-down of IT systems of SEK –30.3 M. The operating loss is attributable to both England and Ireland. Even though certain expenses are not of recurring nature, it has been decided to further review the cost structure in the English operations in order to raise efficiency. The goal in 2006 is to gradually eliminate losses.

Ireland, which is reporting growth but posted overly high expenses in 2005 in connection with the integration of Legal & Trade Collections (Ireland) Ltd, is expected to have better prospects in 2006, when operations will be consolidated in a single office.

Regional responsibility for *United Kingdom & Ireland* has recently been transferred to the regional manager for the Netherlands and Belgium.

Netherlands, Belgium & Germany

Fourth-quarter revenues amounted to SEK 152.8 M (142.5). Operating earnings amounted to SEK 32.1 M (18.5), with an operating margin of 21.0 percent (13.0). Operations in the Netherlands have continued to develop positively in terms of revenue as well as efficiency and cost control. Germany has been successful in improving efficiency and cost control but had a weak revenue trend. Belgium posted stable revenues with slightly higher expenses.

Switzerland, Austria & Italy

The region's quarterly revenues amounted to SEK 111.8 M (102.7). Operating earnings amounted to SEK 29.7 M (22.0) with an operating margin of 26.6 percent (21.4). The revenue increase is mainly due to a positive volume trend in Italy. The increase in operating earnings comes from Italy and Switzerland. Austria improved slightly during the year and the quarter compared to last year.

Finland, Estonia, Latvia & Lithuania

Revenues for the quarter amounted to SEK 108.8 M (93.2). Operating earnings amounted to SEK 50.1 M (45.2) with the operating margin remaining at a pleasing level of 46.0 percent (48.5). Finland, the largest country in the region, is reporting strong, stable development with organic revenue growth around the Group average.

France, Spain & Portugal

The region's revenues for the fourth quarter of 2005 amounted to SEK 106.3 M (82.2), an increase of 29.3 percent. Operating earnings amounted to SEK 30.1 M (15.5) with an operating margin of 28.3 percent (18.9). The higher volume is having a positive effect on the operating margin. The largest increases are in Portugal and Spain, both of which have gained market share in *Purchased Debt*.

Poland, Czech Republic, Slovakia & Hungary

Quarterly revenues amounted to SEK 50.2 M (42.0), an increase of 19.5 percent. Operating earnings amounted to SEK 17.3 M (8.7) with an operating margin of 34.5 percent

(20.7). The Polish company continues to be affected by low activity in *Purchased Debt*. Substantial cost cuts have not fully offset the volume decline. Positive development in the Czech Republic and Hungary has contributed to regional revenues and earnings. The Slovakian company Creditexpress, now Intrum Justitia Slovakia s.r.o., is consolidated from the second quarter and has had a marginally positive impact on regional revenues and earnings.

Since April 2003 there is a 40 percent minority interest in the region's companies.

Purchased Debt service line

Service line revenues amounted to SEK 116.8 M (68.3) in the fourth quarter. Operating earnings amounted to SEK 41.6 M (10.6). The increase of 71 percent compared with the previous year is due to the Group's higher investment rate in 2005. The earnings growth originated in several of the Group's operating countries, but especially Spain. Revenues in England and Poland have declined.

In accordance with IFRS, Intrum Justitia applies an accounting model where the book value of each debt portfolio, and therefore quarterly earnings, is based on an estimate of future cash flows updated quarterly. For the fourth quarter this estimate resulted in a net re-evaluation of SEK 1.9 M, which affected operating earnings positively with the same amount.

The operating margin was 35.6 percent, against 15.5 percent in the previous year, which was affected by a net write-down of SEK 18.9 M for Norwegian portfolios.

The Group's emphasis on this service line and the increased resources dedicated to it continued in the fourth quarter. Investments in portfolios during the full-year 2005 amounted to SEK 821.7 M, compared to SEK 266.8 M for 2004.

At year-end the Group's purchased debt portfolios had a book value of SEK 933.0 M, which is below the current investment limit of SEK 1.2 billion.

Depreciation/amortization

Quarterly operating earnings were charged with depreciation/amortization of SEK 21.8 M (24.3). Operating earnings before depreciation/amortization therefore amounted to SEK 142.1 M (139.3). Depreciation/ amortization for the full-year amounted to SEK 87.6 M (99.3). Operating earnings before depreciation/ amortization for the full-year was SEK 591.3 M (529.9).

Expenses for Incentive Program

Operating earnings for the year were charged with SEK 7.5 M (5.0) for warrants for the Group's Employee Stock Option Program 2003/2009. Of this amount, SEK 1.9 M (1.9) was reported in the fourth quarter. The expense does not represent an actual disbursement by the company. The Employee Stock Option Program comprises of warrants to subscribe for 3,358,250 shares. The dilution effect for 2005, calculated according to IAS 33 Earnings per share, corresponds to 673,038 shares.

The Employee Stock Option Program did not dilute earnings for the full-year 2004 since the share's average market value was less than the present value of the option premium. The warrants were allotted in May 2004.

Net Financial Items

The fourth quarter's net financial items amounted to SEK – 8.7 M (–7.0). Interest expense was higher than in the third quarter due to a higher debt level following the share redemption.

Tax

The tax rate of 29.4 percent in the annual accounts is somewhat higher than the 25.0 percent previously estimated for the year. The increase is due to a revaluation of a tax dispute in Norway, where SEK 8.1 M has been allocated for possible additional expenses, as well as to losses in England that do not have a corresponding positive tax effect. The tax expense in 2004 was positively affected by SEK 15.6 M for the reversal of a previously reported tax expense in the English company.

The Group's English company has tax loss carry forwards corresponding to SEK 297.5 M for which no deferred tax receivables are reported. The tax loss carry forwards can be offset against taxable earnings in the future without time constraints. There is no reason to believe other than that the tax loss carry forwards will eventually be utilized, but because the company reported a loss for the year no deferred tax receivables are reported in the accounts for reasons of prudence.

The Group's tax expense is dependent in part on how earnings are distributed between subsidiaries in different countries with different tax rates. For 2006 and forward, the tax expense is estimated at 25 percent of pre-tax earnings.

Cash Flow and Investments

Cash flow from operating activities amounted to SEK 527.0 M during the year, compared to SEK 485.3 M in 2004.

The year's investments in debt portfolios amounted to SEK 821.7 M.

For the full-year 2006 the Group anticipates investments in tangible and intangible fixed assets of SEK 100–120 M, compared to SEK 96.9 M in 2005.

Financing

Net debt as of December 31, 2005 amounted to SEK 1,192.7 M, compared to SEK 480.2 M at year-end 2004. The increase is mainly due to share redemptions of SEK 590.5 M during the year.

Shareholders' equity including minority's share amounted to SEK 1,316.1 M, compared to SEK 1,531.0 M on December 31, 2004.

As of December 31, 2005 the Group had liquid assets of SEK 198.5 M, compared to SEK 338.3 M on December 31, 2004. On December 31, 2005 unutilized credit facilities amounted to SEK 628.8 M. The corresponding figure on December 31, 2004 was SEK 385.8 M.

Goodwill

Consolidated goodwill amounted to SEK 1,573.4 M, compared to SEK 1,505.8 M at year-end 2004. The change during the year is due to fluctuating exchange rates. All goodwill in the Group was tested for impairment at year-end 2005, with the results showing no need for write-downs.

Intangible fixed assets reported in the balance sheet as a result of an adjustment to fair value of assets in acquired companies amount to SEK 19.6 M (0.0) and were amortized by SEK 4.9 M (0.0) during the year, of which SEK 1.2 M (0.0) in the fourth quarter. Amortization in Ireland accounted for SEK 4.3 M of the total and Slovakia for SEK 0.6 M.

Human Resources

The average number of employees during the year was 2,863 (2,945). The number of employees decreased mainly in the English subsidiary, while more staff was

added in Spain to handle previously outsourced operations and to work with purchased debt portfolios.

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 29.0 M (39.0) and reported pre-tax earnings of SEK 2.1 M (-67.5). It invested SEK 0.7 M (0.5) in fixed assets during the year and had liquid assets of SEK 0.0 M (7.7) at year-end. The average number of employees was 23 (23).

Other

The Extraordinary General Meeting held on November 24, 2005 resolved to reduce the number of Board Members from eight to seven ordinary members with no deputy members. Furthermore, it resolved to elect Mr Sigurjón Th. Árnason as a new Board Member. This means that until the next Annual General Meeting Intrum Justitia AB's Board consists of Bo Ingemarson (Chairman), Björn Fröling (Deputy Chairman), Sigurjón Th. Árnason, Helen Fasth-Gillstedt, Lars Förberg, Leif Palmdahl and Jim Richards. Gerard De Geer and Christian Salamon have resigned from the Board.

Proposed Dividend

The Board of Directors proposes that shareholders receive a dividend of SEK 2.25 per share. The proposed record day for the dividend is April 28, 2006.

Market Outlook

Economic activity in Europe is expected to remain high in 2006, as will consumer spending. A further increase in debt levels can therefore be anticipated.

As a whole, market development in 2006 should benefit Intrum Justitia, with the opportunity to increase volumes in its core business and generate a steady flow of collection cases.

For 2006 to be successful, it is also important that the Group takes advantage of opportunities in the *Purchased Debt* service line.

Events After Closing Date

New legal structure

In January 2006 the Group modified its legal structure, whereby most of its operating subsidiaries, which were previously owned through a wholly owned holding company in the Netherlands, are now owned directly by the parent company, Intrum Justitia AB (publ). The restructuring provides more efficient controls, simplifies administration and makes it possible for profit-generating subsidiaries to pay share dividends directly to the Group's parent company.

Nomination Committee's proposal to Annual General Meeting 2006

On February 1, 2006 the Nomination Committee announced its proposal to increase the number of Board Members to eight. The Nomination Committee will propose the re-election of Sigurjón Th. Árnason, Helen Fasth-Gillstedt, Lars Förberg, Bo Ingemarson and Jim Richards and election of Lars Lundquist, Michael Wolf and Lars Wollung as new Board Members. Björn Fröling and Leif Palmdahl have declined re-election. Furthermore, the Nomination Committee proposes the election of Lars Lundquist as Chairman of the Board and Bo Ingemarson as Deputy Chairman. Shareholders representing about 49

percent of the total votes and shares in the company support this proposal.

Annual General Meeting 2006

The Annual General Meeting will be held at 4:00 p.m. (CET) on Tuesday, April 25, 2006 at World Trade Center, Stockholm, Sweden. Intrum Justitia's audited annual report will be available at the company's website, www.intrum.com, and at the head office, Marcusplatsen 1A in Sickla, from April 3, 2006.

The Intrum Justitia Share

Intrum Justitia's market capitalization as of December 31, 2005 was SEK 5,710 M (4,249). During 2005 the share rose from SEK 51.50 to SEK 73.25 on December 31, or by 42.2 percent.

The number of shareholders on December 31, 2005 was 4,277 (4,833).

Capital Markets Day

On May 18, 2006 Intrum Justitia will arrange a capital markets day in Stockholm for analysts, investment managers and journalists. An invitation and preliminary program will be distributed in early March.

Reporting Dates

The Interim Report for the first quarter (January–March) 2006 will be published on April 25, 2006. The Annual General Meeting will be held on the same date in Stockholm, Sweden.

The Interim Report for the second quarter (April–June) 2006 will be published on July 25, 2006.

The Interim Report for the third quarter (July–September) 2006 will be published on November 8, 2006.

Stockholm, February 15, 2006
Intrum Justitia AB (publ)

Jan Roxendal
President & Chief Executive Officer

Auditors' Report

We have reviewed the interim report of Intrum Justitia AB (publ) for the twelve-month period ending December 31, 2005. Our review has been conducted in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants.

The review has been planned and performed to obtain limited assurance that the interim report is free of material misstatement. A review is largely limited to queries of the company's personnel and an analytical evaluation of financial data, and our assurance is limited compared to an audit.

Nothing has come to our attention during the review that causes us to believe that the interim report does not comply with the requirements for interim reports according to the Annual Accounts Act and IAS 34.

Stockholm, February 15, 2006
KPMG Bohlins AB

Carl Lindgren
Authorized Public Accountant

This Full-Year report and other financial information are available at Intrum Justitia's website: www.intrum.com

Denna bokslutskommuniké finns även på svenska.

Presentation of the Full-Year Report

The Full-Year Report and presentation material are available at www.intrum.com > Investors. President & CEO Jan Roxendal and CFO Monika Elling will comment on the report at an analyst meeting and telephone conference today at 9:00 a.m. CET. Location: Operaterrassen in Stockholm. The presentation can also be followed via www.financialhearings.com

To participate by telephone, call +44 207 162 0025. A recorded version will be available through February 23, 2006 by telephone +44 207 031 4064, using the code 691 061.

For further information, please contact:

Jan Roxendal, President & CEO

Tel: +46 8 546 10 200

Monika Elling, Chief Financial Officer

Tel: +46 8 546 10 200, mobile: +46 705 120 201

Anders Antonsson, Investor Relations

Tel: +46 8 546 10 206, mobile: +46 703 367 818

Intrum Justitia AB (publ)

SE-105 24 Stockholm

Sweden

Tel: +46 8 546 10 200, fax: +46 8 546 10 211

www.intrum.com

E-mail: ir@intrum.com

Swedish corporate identity no: 556607-7581

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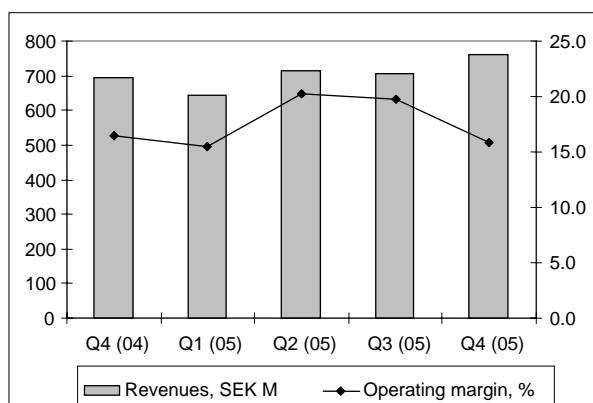
Intrum Justitia Group – Consolidated Income Statement

SEK M	October–December		Full-year	
	2005	2004	2005	2004
Revenues	759.3	696.3	2,823.2	2,740.5
Cost of sales	-464.3	-398.0	-1,679.6	-1,598.1
Gross earnings	295.0	298.3	1,143.6	1,142.4
Sales and marketing expenses	-69.5	-72.3	-273.1	-304.1
General and administrative expenses	-104.5	-109.3	-367.6	-410.5
Participations in associated companies	-0.7	-1.7	0.7	2.8
Operating earnings (EBIT)	120.3	115.0	503.6	430.6
Net financial income/expenses	-8.7	-7.0	-31.4	-36.4
Earnings after financial items	111.6	108.0	472.2	394.2
Tax on earnings for the period	-48.5	-17.0	-138.6	-70.8
Net earnings for the period	63.1	91.0	333.6	323.4
Of which attributable to:				
Parent Company's shareholders	58.7	86.7	320.6	313.1
Minority interests	4.4	4.3	13.0	10.3
Net earnings for the period	63.1	91.0	333.6	323.4

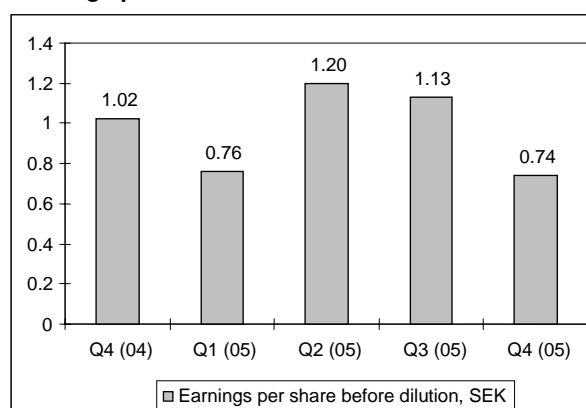
Intrum Justitia Group – Data per share

SEK	October–December		Full-year	
	2005	2004	2005	2004
Share price at end of period	73.25	51.50	73.25	51.50
Earnings per share before dilution	0.74	1.02	3.84	3.68
Earnings per share after dilution	0.74	1.02	3.81	3.68
Equivalent value, excl. C shares	0.75	1.02	3.94	3.68
Shareholders' equity (net asset value)	16.48	17.68	16.48	17.68
Average number of shares before dilution, '000	79,026	84,986	83,483	84,986
Equivalent value, excl. C shares	77,956	84,986	81,442	84,986
Average number of shares after dilution, '000	79,699	84,986	84,156	84,986
Number of shares at end of period, '000	77,956	84,986	77,956	84,986

Revenues and operating margin



Earnings per share before dilution



Intrum Justitia Group – Consolidated Balance Sheet

SEK M	December 31 2005	December 31 2004
ASSETS		
Intangible fixed assets		
Capitalized expenditure for IT development and other intangibles	123.5	104.2
Goodwill	1,573.4	1,505.8
Total intangible fixed assets	1,696.9	1,610.0
Tangible fixed assets		
	81.2	86.7
Financial fixed assets		
Shares and participations in associated companies and other companies	5.5	4.5
Purchased debt	933.0	407.0
Deferred tax receivables	24.9	50.8
Other long-term receivables	2.0	7.3
Total financial fixed assets	965.4	469.6
Total fixed assets	2,743.5	2,166.3
Current assets		
Accounts receivable	362.2	345.9
Client funds	464.2	397.3
Tax assets	28.6	3.0
Other receivables	263.0	287.2
Prepaid expenses and accrued revenue	76.0	81.1
Cash and cash equivalents	198.5	338.3
Total current assets	1,392.5	1,452.8
TOTAL ASSETS	4,136.0	3,619.1

Intrum Justitia Group – Consolidated Balance Sheet

SEK M	December 31 2005	December 31 2004
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Attributable to Parent Company's shareholders	1,284.5	1,502.2
Attributable to minority	31.6	28.8
Total shareholders' equity	1,316.1	1,531.0
Long-term liabilities		
Liabilities to credit institutions	1,348.0	731.3
Other long-term liabilities	10.4	9.6
Provisions for pensions	34.9	32.4
Provisions for deferred taxation	26.2	22.3
Other provisions	5.2	6.3
Total long-term liabilities	1,424.7	801.9
Current liabilities		
Liabilities to credit institutions	7.0	53.9
Client funds payable	464.2	397.3
Accounts payable	198.3	195.2
Income tax liabilities	100.0	37.2
Advances from clients	28.1	30.1
Other current liabilities	240.7	223.6
Accrued expenses and prepaid income	348.2	340.8
Other provisions	8.7	8.1
Total current liabilities	1,395.2	1,286.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,136.0	3,619.1
Pledged assets	—	—
Contingent liabilities	966.1	916.7

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 tax audits in Sweden, Norway and Finland, each country's tax authority questioned the company's 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 significant expenses for the company.

On December 22, 2005 the County Administrative Court in Stockholm ruled in favor of the Swedish subsidiary Intrum Justitia Sverige AB and against the tax authority on a dispute regarding the deductibility of intra-Group licensing fees. If the rulings stands, the company will avoid a tax reassessment of SEK 104.8 M, corresponding to a tax expense of SEK 29.3 M. Intrum Justitia had not allocated any provisions for additional tax expenses potentially resulting from this tax dispute, and the judgment therefore does not affect earnings in the annual accounts for 2005. The tax dispute is still continuing with regard to SEK 3.8 M in interest, among other items.

In October 2005 the subsidiary in Norway was reassessed for licensing fees for the years 1998–2002, corresponding to an additional tax expense of SEK 13.4 M. The company appealed to the tax authority in early January 2006.

The Finnish Tax Board ruled in favor of the subsidiary in Finland in 2004 in a dispute concerning the deductibility of certain interest expenses and liquidation results. The state's tax agent has appealed to the courts. The additional tax expense, if the tax authority should eventually win the dispute, amounts to SEK 21.8 M.

Other than through the provision in the balance sheet, the tax effect of the remaining tax disputes in Sweden and Norway is reported as a contingent liability totaling SEK 9.0 M. Fees and interest may be additional.

The audit in Denmark is completed and no significant issues remain.

Intrum Justitia Group – Cash Flow Statement

SEK M	Full-year	
	2005	2004
Operating activities		
Operating earnings (EBIT)	503.6	430.6
Depreciation/amortization	87.6	99.3
Adjustment for expenses not included in cash flow	40.1	16.1
Interest received	14.2	11.1
Interest paid and other financial expenses	-38.3	-46.0
Income tax paid	-74.7	-15.3
Cash flow from operating activities before changes in working capital	532.5	495.8
Changes in working capital	5.6	59.9
Repayments in England of non-allocated receipts	-11.1	-70.4
Cash flow from operating activities	527.0	485.3
Investing activities		
Purchases of tangible and intangible fixed assets	-96.9	-71.6
Debt purchases	-821.7	-266.8
Amortization of purchased debt	327.3	186.4
Purchases of subsidiaries and other companies	-0.1	-27.8
Other cash flow from investing activities	0.0	2.8
Cash flow from investing activities	-591.4	-177.0
Financing activities		
Borrowing and amortization	518.3	-218.5
Share redemption	-590.5	0.0
Share redemption expenses	-6.0	0.0
Share dividend to minority owners	-12.9	0.0
Cash flow from financing activities	-91.1	-218.5
Change in liquid assets	-155.5	89.8
Opening balance of liquid assets	338.3	243.2
Exchange rate differences in liquid assets	15.7	5.3
Closing balance of liquid assets	198.5	338.3

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

SEK M	2005			2004		
	Attributable to Parent Company's shareholders	Attributable to minority	Total	Attributable to Parent Company's shareholders	Attributable to minority	Total
Opening balance, Jan. 1	1,502.2	28.8	1,531.0	1,201.8	18.6	1,220.4
Exchange rate differences	50.7	2.7	53.4	-17.7	-0.1	-17.8
Effect of option program	7.5		7.5	5.0		5.0
Share redemption	-590.5		-590.5			0.0
Transaction expenses for share redemption	-8.3		-8.3			0.0
Tax effect	2.3		2.3			0.0
Share dividends		-12.9	-12.9			0.0
Net earnings for the period	320.6	13.0	333.6	313.1	10.3	323.4
Closing balance, Dec. 31	1,284.5	31.6	1,316.1	1,502.2	28.8	1,531.0

Intrum Justitia Group – Quarterly overview

	Quarter 4 2005	Quarter 3 2005	Quarter 2 2005	Quarter 1 2005	Quarter 4 2004
Revenues, SEK M	759.3	705.0	713.2	645.7	696.3
Operating earnings (EBIT), SEK M	120.3	139.5	143.9	99.9	115.0
Collection cases in stock, million	13.1	12.9	12.4	12.0	11.6
Total collection value, SEK billion	93.3	92.7	84.0	81.0	79.4

Intrum Justitia Group – Five-Year Overview

	2005	2004	2003	2002 ¹	2001
Revenues (SEK M)	2,823.2	2,740.5	2,864.6	2,774.9	2,320.6
Earnings after financial items, SEK M	472.2	394.2	-146.8	238.4	120.1
Net earnings, SEK M	333.6	323.4	-180.4	173.3	—
Earnings per share, before dilution, SEK	3.84	3.68	-2.12	2.61	—
Interest coverage ratio, multiple	11.2	9.3	-1.5	3.0	—
Return on operating capital, %	22.3	21.6	6.0	20.5	—
Return on shareholders' equity, %	23.0	23.2	-13.0	16.8	—
Equity/assets ratio, %	31.8	42.3	33.7	41.1	—
Dividend/proposed dividend, SEK	2.25	*	—	1.00	—
Average number of employees	2,863	2,945	2,870	2,661	2,936

* During 2005 a redemption offer was completed. Shareholders were offered to have each twelfth share in Intrum Justitia AB redeemed for a redemption price of SEK 84 per share. In total SEK 590,465,652 were distributed to the shareholders, corresponding to SEK 6.95 per share.

¹ Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003. Comparative figures for the years 2001–2003 are not restated to the International Financial Reporting Standards (IFRS). The largest difference relates to goodwill amortization, which, in accordance with previous accounting rules, was charged against earnings as follows: SEK 124.0 M for 2003, SEK 126.7 M for 2002, and SEK 142.2 M for 2001.

Intrum Justitia Group – Revenues by Region

SEK M	October–December		Change %	Full-year		Change %
	2005	2004		2005	2004	
Sweden, Norway & Denmark	163.3	153.6	6.3	655.3	624.4	4.9
United Kingdom & Ireland	66.1	80.1	-17.5	315.8	370.1	-14.7
Netherlands, Belgium & Germany	152.8	142.5	7.2	577.0	581.3	-0.1
Switzerland, Austria & Italy	111.8	102.7	8.9	391.4	370.5	5.6
Finland, Estonia, Latvia & Lithuania	108.8	93.2	16.7	355.7	314.0	13.3
France, Spain & Portugal	106.3	82.2	29.3	364.0	318.1	14.5
Poland, Czech Republic, Slovakia & Hungary	50.2	42.0	19.5	164.0	162.1	1.2
Total revenues	759.3	696.3	9.1	2,823.2	2,740.5	3.0

Intrum Justitia Group – Operating Earnings by Region

SEK M	October–December		Change %	Full-year		Change %
	2005	2004		2005	2004	
Sweden, Norway & Denmark	31.4	24.9	26.1	169.8	153.0	11.0
United Kingdom & Ireland	-57.2	16.2	—	-62.0	11.3	—
Netherlands, Belgium & Germany	32.1	18.5	73.5	116.2	80.2	44.9
Switzerland, Austria & Italy	29.7	22.0	35.0	83.8	64.1	30.7
Finland, Estonia, Latvia & Lithuania	50.1	45.2	10.8	146.8	128.7	14.1
France, Spain & Portugal	30.1	15.5	94.2	72.7	50.1	45.1
Poland, Czech Republic, Slovakia & Hungary	17.3	8.7	98.9	36.2	34.4	5.2
Participations in associated companies	-0.7	-1.7	—	0.7	2.8	—
Central expenses	-12.5	-34.3	—	-60.6	-94.0	—
Total operating earnings	120.3	115.0	4.6	503.6	430.6	17.0

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

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

Intrum Justitia Group – Operating Margin by Region

%	October–December		Full-year	
	2005	2004	2005	2004
Sweden, Norway & Denmark	19.2	16.2	25.9	24.5
United Kingdom & Ireland	-86.5	20.2	-19.6	3.1
Netherlands, Belgium & Germany	21.0	13.0	20.1	13.8
Switzerland, Austria & Italy	26.6	21.4	21.4	17.3
Finland, Estonia, Latvia & Lithuania	46.0	48.5	41.3	41.0
France, Spain & Portugal	28.3	18.9	20.0	15.7
Poland, Czech Republic, Slovakia & Hungary	34.5	20.7	22.1	21.2
Group total	15.8	16.5	17.8	15.7

Intrum Justitia Group – Revenues by Service Line

SEK M	October–December		Change %	Full-year		Change %
	2005	2004		2005	2004	
Consumer Collection & Debt Surveillance	489.7	451.2	8.5	1,837.2	1,756.0	4.6
Commercial & International Collection	154.4	161.4	-4.3	617.2	640.5	-3.6
Purchased Debt	116.8	68.3	71.0	321.6	258.1	24.6
Other	52.2	54.6	-4.4	197.7	216.2	-8.6
Elimination of inter-service line revenue	-53.8	-39.2	—	-150.5	-130.3	—
Total revenues	759.3	696.3	9.1	2,823.2	2,740.5	3.0

Intrum Justitia Group – Operating Earnings by Service Line

SEK M	October–December		Change %	Full-year		Change %
	2005	2004		2005	2004	
Consumer Collection & Debt Surveillance	85.3	130.2	-34.5	411.1	409.5	0.4
Commercial & International Collection	12.2	15.8	-22.8	67.4	60.5	11.4
Purchased Debt	41.6	10.6	292.5	108.2	78.6	37.7
Other	-5.4	-8.5	—	-27.1	-36.9	—
Participations in associated companies	-0.7	-1.7	—	0.7	2.8	—
Central expenses	-12.7	-31.4	—	-56.7	-83.9	—
Total operating earnings	120.3	115.0	4.6	503.6	430.6	17.0

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

Intrum Justitia Group – Operating Margin by Service Line

%	October–December		Full-year	
	2005	2004	2005	2004
Consumer Collection & Debt Surveillance	17.4	28.9	22.4	23.3
Commercial & International Collection	7.9	9.8	10.9	9.4
Purchased Debt	35.6	15.5	33.6	30.5
Other	-10.3	-15.6	-13.7	-17.1
Group total	15.8	16.5	17.8	15.7

As of 2005 *Sales Ledger Services* are included in *Other* rather than reported separately as a service line. At the same time the credit guarantee operations in Switzerland and purchases of fresh receivables in Norway are included in the *Purchased Debt* service line.

Intrum Justitia Group – Additional Data

Key figures	October–December		Full-year	
	2005	2004	2005	2004
Operating margin, %	15.8	16.5	17.8	15.7
Return on operating capital, %	19.2	22.3	22.3	21.6
Return on shareholders' equity, %	15.2	23.7	23.0	23.2
Net debt, SEK M	1,192.7	480.2	1,192.7	480.2
Net debt/equity ratio	0.91	0.31	0.91	0.31
Equity/assets ratio, %	31.8	42.3	31.8	42.3
Interest coverage ratio, multiple	9.2	11.6	11.2	9.3
Collection cases in stock, million	13.1	11.6	13.1	11.6
Total collection value, SEK billion	93.3	79.4	93.3	79.4
Average number of employees	2,863	2,876	2,863	2,945

Definitions

Consolidated *revenues* include variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription revenue and income from purchased debt operations. Income from purchased debt consists of collected amounts less amortization, i.e., the decrease in the portfolios' book value for the period.

Operating margin is operating earnings as a percentage of revenues.

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

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

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

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

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

Intrum Justitia Group – Ownership structure

December 31, 2005

	Number of shares	Capital and votes, %
Total number of shares: 77,956,251		
Landsbanki Íslands	9,141,634	11.7
Parkerhouse Investments	8,112,500	10.4
Cevian Capital	7,850,861	10.1
Lannebo funds	4,282,200	5.5
Straumur-Burdarás	3,820,000	4.9
Didner & Gerge equity fund	3,759,800	4.8
SEB funds	3,253,800	4.2
SEB-Trygg försäkring	1,960,900	2.5
Skandia Liv försäkring	1,538,950	2.0
SHB/SPP funds	1,343,390	1.7

Swedish ownership accounted for 44.5 percent (institutional investors for 12.8 percentage points, equity funds 22.9 percent and individual investors 8.8 percent).

Source: SIS Aktieägarservice

Accounting Principles

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

The accounting principles applied in the interim report are described in the Annual Report for 2004 in Note 1 as well as in Note 36 with regard to changes in connection with the introduction of IFRS. Although Intrum Justitia began reporting according to IFRS in 2005, the comparative figures for 2004 are restated to IFRS, so January 1, 2004 is considered Intrum Justitia's transition date to IFRS.

A reconciliation of the estimated effects of IFRS on the consolidated income statement and balance sheet for the full-year 2004, including the effect on deferred tax, is provided in the attachment. The figures in the balance sheet have been adjusted relative to the information in the annual report on the basis of new information.

Consolidation and Goodwill

As of 2004 the acquisition cost of an acquired subsidiary is eliminated against the net of the market value of the subsidiary's assets and liabilities, including intangible assets such as client relations, cases in progress and internally developed brands. If the market values identified do not correspond to the acquisition cost, goodwill arises. Negative goodwill is not reported, but in such cases is charged against earnings immediately after acquisition.

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

Financial Assets and Liabilities

Intrum Justitia reports financial instruments, including foreign exchange contracts and other derivatives, at fair value. Any changes in fair value are recognized through profit or loss. At present hedge accounting is not applied.

Purchased Debt

Purchased debt consists of portfolios of overdue consumer receivables purchased by Intrum Justitia at prices significantly below the nominal value. Purchased debt is reported according to an effective interest rate method, where the book value of each portfolio corresponds to the present value of all estimated future cash flows discounted by an effective interest rate determined when the portfolio is purchased, based on the relationship between acquisition cost and estimated future cash flows at the time of acquisition. Changes in the book value of the portfolios are recognized through profit or loss on the revenue line.

Employee Stock Option Program

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

Intrum Justitia Group – Attachment IFRS

Intrum Justitia Group – Consolidated Income Statement

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

Intrum Justitia Group – Consolidated Balance Sheet

SEK M	Dec. 31 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee op- tions	Adjustment Goodwill	Dec. 31 2004 acc. to IFRS
ASSETS					
Intangible fixed assets					
Capitalized expenditure for IT devel- opment and other intangibles	104.2				104.2
Goodwill	1,401.0			104.8	1,505.8
Total intangible fixed assets	1,505.2	0.0	0.0	104.8	1,610.0
Tangible fixed assets	86.7				86.7
Financial fixed assets					
Shares and participations in associ- ated companies and other companies	4.5				4.5
Purchased debt	390.6	16.4			407.0
Deferred tax receivables	84.7			-33.9	50.8
Other long-term receivables	7.3				7.3
Total financial fixed assets	487.1	16.4	0.0	-33.9	469.6
Total fixed assets	2,079.0	16.4	0.0	70.9	2,166.3
Current assets					
Accounts receivable	345.9				345.9
Purchased fresh receivables	18.8	-18.8			0.0
Client funds	397.3				397.3
Tax assets	3.0				3.0
Other receivables	287.2				287.2
Prepaid expenses and accrued reve- nue	78.0	3.1			81.1
Cash and cash equivalents	338.3				338.3
Total current assets	1,468.5	-15.7	0.0	0.0	1,452.8
TOTAL ASSETS	3,547.5	0.7	0.0	70.9	3,619.1

Intrum Justitia Group – Consolidated Balance Sheet

SEK M	Dec. 31 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee op- tions	Adjustment Goodwill	Dec. 31 2004 acc. to IFRS
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Attributable to Parent Company's shareholders	1,436.3	-5.0		70.9	1,502.2
Attributable to minority	27.6	1.2			28.8
Total shareholders' equity	1,463.9	-3.8	0.0	70.9	1,531.0
Long-term liabilities					
Liabilities to credit institutions	731.3				731.3
Other long-term liabilities	9.6				9.6
Provisions for pensions	32.4				32.4
Provisions for deferred taxation	21.8	0.5			22.3
Other provisions	6.3				6.3
Total long-term liabilities	801.4	0.5	0.0	0.0	801.9
Current liabilities					
Liabilities to credit institutions	53.9				53.9
Client funds payable	397.3				397.3
Accounts payable	195.2				195.2
Income tax liabilities	37.2				37.2
Advances from clients	30.1				30.1
Other current liabilities	223.6				223.6
Accrued expenses and prepaid income	336.8	4.0			340.8
Other provisions	8.1				8.1
Total current liabilities	1,282.2	4.0	0.0	0.0	1,286.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,547.5	0.7	0.0	70.9	3,619.1

Intrum Justitia Group – Consolidated Balance Sheet

SEK M	January 1 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee op- tions	Adjustment Goodwill	January 1 2004 acc. to IFRS
ASSETS					
Intangible fixed assets					
Capitalized expenditure for IT devel- opment and other intangibles	117.8				117.8
Goodwill	1,528.1				1,528.1
Total intangible fixed assets	1,645.9	0.0	0.0	0.0	1,645.9
Tangible fixed assets	97.3				97.3
Financial fixed assets					
Shares and participations in associ- ated companies and other companies	0.8				0.8
Purchased debt	340.0	40.4			380.4
Deferred tax receivables	107.3			-36.3	71.0
Other long-term receivables	10.1				10.1
Total financial fixed assets	458.2	40.4	0.0	-36.3	462.3
Total fixed assets	2,201.4	40.4	0.0	-36.3	2,205.5
Current assets					
Accounts receivable	353.8				353.8
Purchased fresh receivables	40.6	-40.6			0.0
Client funds	475.2				475.2
Tax assets	29.4				29.4
Other receivables	263.4				263.4
Prepaid expenses and accrued reve- nue	73.6				73.6
Cash and cash equivalents	243.2				243.2
Total current assets	1,479.2	-40.6	0.0	0.0	1,438.6
TOTAL ASSETS	3,680.6	-0.2	0.0	-36.3	3,644.1

Intrum Justitia Group – Consolidated Balance Sheet

SEK M	January 1 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee op- tions	Adjustment Goodwill	January 1 2004 acc. to IFRS
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Attributable to Parent Company's shareholders	1,240.8	-2.7		-36.3	1,201.8
Attributable to minority	17.3	1.3			18.6
Total shareholders' equity	1,258.1	-1.4	0.0	-36.3	1,220.4
Long-term liabilities					
Liabilities to credit institutions	844.1				844.1
Other long-term liabilities	24.4				24.4
Provisions for pensions	11.9				11.9
Provisions for deferred taxation	13.6	1.2			14.8
Other provisions	15.4				15.4
Total long-term liabilities	909.4	1.2	0.0	0.0	910.6
Current liabilities					
Liabilities to credit institutions	143.7				143.7
Client funds payable	475.2				475.2
Accounts payable	168.4				168.4
Income tax liabilities	39.2				39.2
Advances from clients	32.1				32.1
Other current liabilities	312.7				312.7
Accrued expenses and prepaid income	333.6				333.6
Other provisions	8.2				8.2
Total current liabilities	1,513.1	0.0	0.0	0.0	1,513.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,680.6	-0.2	0.0	-36.3	3,644.1