

## YEAR-END REPORT 2014

### Fourth quarter 2014

- Consolidated net revenues for the fourth quarter of 2014 amounted to SEK 1,370 M (1,231).
- Operating earnings (EBIT) amounted to SEK 360 M (340). Operating earnings include revaluations of purchased debt portfolios amounting to SEK 7 M (7), and items affecting comparability amounting to a negative net of SEK 35 M (0). The operating margin excluding revaluations and items affecting comparability was 28 percent (27).
- Net earnings for the quarter amounted to SEK 294 M (236) and earnings per share were SEK 3.85 (3.00).
- Cash flow from operating activities amounted to SEK 784 M (664).
- The carrying amount of purchased debt has increased by 15 percent compared with the fourth quarter 2013. Disbursements in the quarter for investments in purchased debt amounted to SEK 454 M (266).

### Full-year 2014

- Consolidated revenues during the 2014 full-year amounted to SEK 5,184 M (4,566).
- Operating earnings (EBIT) amounted to SEK 1,430 M (1,207). Operating earnings include revaluations of purchased debt portfolios amounting to SEK 35 M (7), and items affecting comparability of net –SEK 35 M (0). The operating margin excluding revaluations and items affecting comparability was 28 percent (26).
- Net earnings for the year amounted to SEK 1,041 M (819) and earnings per share totaled SEK 13.48 (10.30).
- Cash flow from operating activities amounted to SEK 2,672 M (2,305).
- The carrying amount of purchased debt has increased by 15 percent compared with the year-end 2013. Disbursements during the year for investments in purchased debt amounted to SEK 1,950 M (2,475).
- The Board of Directors proposes a dividend of SEK 7.00 (5.75) per share, totaling SEK 517 M calculated on the number of shares outstanding as per December 31, 2014 (445).

## FOURTH QUARTER

**31%**

Growth in earnings per share past 12 months

**13%**

Change in operating earnings (adj for currency effects, PD revaluations and items affecting comparability)

**15%**

Change in carrying amount of purchased debt

**18%**

Return on purchased debt

**SEK 454 M**

Investments in purchased debt

**SEK 607 M**

Cash flow from purchased debt

<b>SEK M</b> unless otherwise indicated	<b>Oct-Dec 2014</b>	Oct-Dec 2013	Change %	<b>Full Year 2014</b>	Full Year 2013	Change %
Revenues	1,370	1,231	11	5,184	4,566	14
Revenues excluding revaluations	1,363	1,224	11	5,149	4,559	13
Operating earnings (EBIT)	360	340	6	1,430	1,207	18
Operating margin, %	26	28		28	26	
Earnings before tax	306	294	4	1,247	1,046	19
Net earnings	294	236	25	1,041	819	27
Earnings per share before and after dilution, SEK	3.85	3.00	28	13.48	10.30	31
Cash flow from operating activities	784	664	18	2,672	2,305	16
Carrying value Purchased Debt	6,197	5,411	15	6,197	5,411	15
Return on Purchased debt %	18	21		20	21	
Investments in Purchased debt	454	266	71	1,950	2,475	-21
Cash flow from Purchased debt	607	598	2	2,455	2,218	11
Net debt/RTM EBITDA	1.88	1.61		1.88	1.61	

### Comment by President and CEO Lars Wollung

Intrum Justitia's strong performance continued into the fourth quarter. Consolidated income rose by 8 percent and operating earnings increased by 13 percent compared with the year-earlier period, adjusted for currency effects, revaluations of purchased debt portfolios and items affecting comparability. It is mainly the Central Europe and Western Europe regions that are contributing to growth and the improvement in earnings. We are retaining a high level of profitability in Northern Europe, but the performance remains relatively unchanged compared with the year-earlier period. For our service lines, both Financial Services and Credit Management contributed to the improvement in earnings in the fourth quarter. Investments in purchased debt in the fourth quarter totaled SEK 454 M, which contributed to a healthy increase of 15 percent in the carrying amount of purchased debt since the end of 2013. Moreover, the fourth quarter has seen a solid return for purchased debt of 21 percent excluding items affecting comparability. The supply of purchased debt has been relatively good in several countries, but we have also seen persistently high price competition in a number of markets.

We can look back on a very positive financial development for the full-year 2014. In relation to our financial objectives, we are achieving an increase in earnings per share of 31 percent, which is well above our target of a minimum 10 percent increase, and a return on purchased debt of 20 percent, which exceeds our target of a return of at least 15 percent. For our third objective regarding debt (net debt in relation to operating earnings before depreciation and amortization), we report a ratio of 1.9, which is just short of our target of a minimum of 2.0.

Intrum Justitia is well positioned to achieve continued healthy growth during the coming years. We have an effective business model, with credit management services and financial services combining to provide mutual support. Our organization has a strong focus on constant improvements, with continual development and follow up of a vast number of change management projects in all countries. Over the next few years, we therefore see good opportunities for profitable growth, mainly through increased operational efficiency, growth within purchased debt, acquisitions within Credit Management and development of new services for financing before an invoice has fallen due.

## Group

SEK M unless otherwise indicated	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	1,370	1,231	11	5,184	4,566	14
Operating earnings (EBIT)	360	340	6	1,430	1,207	18
Operating margin, %	26	28		28	26	
Net financial items	-54	-46	17	-183	-161	14
Tax	-12	-58	-79	-206	-227	-9
Net income	294	236	25	1,041	819	27
Average number of employees	3,806	3,599	6	3,801	3,599	6

## Revenues and earnings

### October-December 2014

In the fourth quarter, revenues rose by 11 percent, consisting of organic growth of 5 percent, acquisition effects of 3 percent and currency effects of 3 percent. Operating earnings improved by 6 percent over the quarter, and when adjusted for currency effects, revaluations of purchased debt portfolios and items affecting comparability, the increase was 13 percent. The improvement in operating earnings excluding revaluations, currency effects and items affecting comparability compared with the year-earlier period is attributable to the favorable growth in purchased debt, resulting from increased investment volumes in recent years and through increased volumes and improved margins within Credit Management. Of the Group's regions, Central Europe and Western Europe have been primarily responsible for the improvement in operating earnings, excluding revaluations, currency effects and items affecting comparability, while Northern Europe's performance was comparable to that of the year-earlier period.

Earnings for the quarter are affected by items affecting comparability amounting to a negative net of SEK 35 M in the region Northern Europe. This amount comprises an item of negative SEK 56 M provisions for a VAT dispute, a negative SEK 33 M for various other provisions and impairments relating to the Dutch subsidiary Buckaroo which was acquired in 2012, and in addition SEK +53 M relating to goodwill impairment and reversal of debt regarding an additional purchase consideration for that company (for more detailed information, see below under the section "Goodwill"). The costs of the provision for a VAT dispute are attributable to a demand for an earlier year, where Intrum Justitia does not share the judgement made by the tax authority and therefore opposes the demand. Additional demands may however follow for subsequent years, and provisions have been made according to a risk weighted assessment.

Earnings per share for the quarter rose by 28 percent compared with the year-earlier period. In the fourth quarter, earnings per share were affected by repurchasing, which reduced the number of shares outstanding by 4.8 percent compared with the fourth quarter 2013.

A more detailed description of the Group's financial development is provided below.

## January-December 2014

For the full-year, revenues rose by 14 percent, consisting of organic growth of 6 percent, acquisition effects of 3 percent, revaluations of purchased debt of 1 percent and currency effects of 4 percent. Operating earnings improved by 18 percent over the year – adjusted for currency effects and revaluations of purchased debt portfolios, the increase was 12 percent.

Earnings per share for the full-year rose by 31 percent compared with the previous year. Earnings per share during the year were affected by repurchasing, which reduced the average number of shares outstanding by 3.6 percent compared with the full-year 2013.

## Net financial items

Net financial items for the quarter amounted to a negative SEK 54 M (46). Exchange rate differences have affected net financial items negatively by SEK 4 M (2), and other financial items by a negative SEK 8 M (8). Other financial items refer primarily to bank fees and similar charges in connection with the Group's borrowing.

Net financial items for the full-year amounted to a negative SEK 183 M (161). Exchange rate differences have affected net financial items by SEK 1 M (4), and other financial items by a negative SEK 31 M (29).

## Taxes

Corporate income tax for the year was equivalent to 17 percent of full-year earnings before tax. The tax cost for the year has been reduced by SEK 18 M following the resolution of a tax dispute in Finland, which was decided in Intrum Justitia's favor. In addition, the non-recurring goodwill impairment of a negative SEK 111 M is not deductible, while the reversal of debt relating to the additional purchase consideration for shares of SEK 164 M is tax-exempt. When adjusted for these effects, the Group's tax cost for the year amounts to 19 percent of earnings before tax. Further information on ongoing tax disputes is provided in the section "Taxation assessments".

## Cash flow and investments

SEK M unless otherwise indicated	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Cash flow from operating activities	784	664	18	2,672	2,305	16
Investments in Purchased debt	454	266	71	1,950	2,475	-21
Cash flow from Purchased debt	607	598	2	2,455	2,218	11

Cash flow from operating activities improved in the fourth quarter compared with the year-earlier period, chiefly as a result of higher operating earnings excluding depreciations and amortizations, and a positive change in working capital that is largely attributable to the costs for provisions relating to Buckaroo and to the VAT dispute not yet having an impact on cash. Cash flow from purchased debt for the fourth quarter amounts to SEK 607 M (598), defined as funds collected on purchased debt of SEK 902 M (820), with deductions for the service line's operating costs, primarily collection costs of SEK 295 M (222).

## Financing

SEK M unless otherwise indicated	Oct-Dec 2014	Oct-Dec 2013	Change %
Net Debt	5,635	4,328	30
Net Debt/RTM EBITDA	1.88	1.61	
Shareholders' equity	3,041	3,316	-8
Liquid assets	266	340	-22

The Group's net debt expressed as a multiple of operating earnings before depreciation and amortization totals 1.88, slightly less than the lower end of Intrum Justitia's financial target of 2-3 for this ratio. Compared with the year-earlier period, this relationship has increased, primarily owing to share repurchases and the acquisition of a Danish company in October 2014.

In the first quarter, Intrum Justitia repurchased 1,185,934 of its own shares for a total of SEK 219 M. In the second quarter it purchased an additional 760,924 shares for a total of SEK 150 M. In the third quarter it purchased a further 1,171,544 shares for a total of SEK 249 M and in the fourth quarter, an additional 1,580,942 shares for SEK 350 M. A total of 4,699,344 shares were repurchased during the year for a total of SEK 968 M. The average number of shares outstanding during the year was therefore 76,461,901. The average number of shares outstanding in the fourth quarter was 74,797,079. The shares that had been repurchased at the end of the first quarter were canceled following a decision at the annual general meeting. The 3,513,410 shares repurchased in the second, third and fourth quarters constitute treasury holdings. The number of outstanding shares at the end of the year, after deductions for treasury holdings, was 73,847,534.

## Goodwill

Consolidated goodwill amounted to SEK 2,719 M as per December 31 2014, compared with SEK 2,542 M as per December 31, 2013. The increase since the end of 2013 was attributable to the acquisition in Denmark, SEK 150 M, impairments relating to Buckaroo totaling a negative SEK 111 M and translation differences of 138 M.

The original goodwill arising in connection with the acquisition of Buckaroo in January 2012 was based on anticipated future earnings according to estimates made at the time of acquisition. These anticipated future earnings are now deemed to be lower and an impairment of goodwill has therefore been carried out at an amount of SEK 111 M. At the time of acquisition, provision was also made for an additional purchase consideration based on anticipated earnings in 2013 and 2014. Buckaroo has not achieved the results on which the provision was based and the remaining provision has therefore been reversed, which generated a positive impact on full-year earnings for 2014 of SEK 164 M. Intrum Justitia is of the view that current goodwill and the total purchase price that has been paid in relation to anticipated future earnings are reasonable, and that Buckaroo is well placed to make a positive contribution to the Group's future development.

The impairment tests for goodwill that were performed before the year-end closing for the Group's three geographical regions revealed by a wide margin that there is no other goodwill impairment besides Buckaroo.

## Regions

Effective from 2014, the composition of the Group's operating segments, the geographic regions, has changed. The change entails the operations in the Netherlands being included in the Northern Europe region rather than Western Europe. The comparison figures for 2013 have been recalculated in accordance with the new region structure. Recalculated figures for all four quarters in 2012 and 2013 have been published on the company's website.

### Northern Europe

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	676	647	4	2,556	2,476	3
Operating earnings	167	208	-20	750	743	1
Revenues excluding revaluations	678	643	5	2,539	2,481	2
Operating earnings excluding revaluations	169	204	-17	733	748	-2
Operating margin excluding revaluations, %	25	32		29	30	

Revenues for the quarter rose by 4 percent compared with the year-earlier period, but adjusted for currency effects and revaluations of purchased debt, revenues increased by 2 percent. Operating earnings deteriorated by 20 percent including items affecting comparability, which had an adverse effect on earnings of SEK 35 M. Adjusted for currency effects, revaluations of purchased debt and items affecting comparability, earnings fell by 2 percent. Profitability in the region remains at a very healthy level, with a negative impact from lower investment volumes for purchased debt being largely offset by an improved performance within Credit Management and effective cost control. The previously announced acquisition of Advis A/S in Denmark was consolidated as of October 1, with integration costs of SEK 9 M during the fourth quarter.

### Central Europe

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	391	312	25	1,433	1,088	32
Operating earnings	128	69	86	431	266	62
Revenues excluding revaluations	382	315	21	1,418	1,087	30
Operating earnings excluding revaluations	119	72	65	416	265	57
Operating margin excluding revaluations, %	31	23		29	24	

Revenues for the quarter rose by 25 percent compared with the year-earlier period. Adjusted for currency effects and revaluations of purchased debt, the increase was 16 percent. Operating earnings improved by 69 percent. Adjusted for currency effects and revaluations of purchased debt, the increase was 59 percent. The region is displaying strong profitability and a very strong improvement in earnings compared with the year-earlier period, primarily owing to increased investments in purchased debt in 2013 and the acquisition of a Czech company

within purchased debt in February 2014. In the fourth quarter, improved margins for Credit Management and lower costs for legal collection activities also contributed to the positive earnings trend.

### Western Europe

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	303	272	11	1,195	1,002	19
Operating earnings	65	63	3	249	198	26
Revenues excluding revaluations	303	266	14	1,192	991	20
Operating earnings excluding revaluations	65	57	14	246	187	32
Operating margin excluding revaluations, %	21	21		21	19	

Revenues for the quarter rose by 11 percent compared with the year-earlier period. Adjusted for currency effects and revaluations of purchased debt, the increase was 9 percent. Operating earnings improved by 3 percent. Adjusted for currency effects and revaluations of purchased debt, the improvement was 9 percent. The improvement in operating earnings and profitability in the fourth quarter is largely attributable to a strong performance within Credit Management, via both organic growth and the positive effects of a French acquisition at the end of 2013. Investment volumes in purchased debt have seen a positive development during the fourth quarter and for the full-year 2014.

### Service lines

#### Credit Management

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	1,019	927	10	3,844	3,469	11
Service line earnings	246	219	12	912	823	11
Service line margin, %	24	24		24	24	

Revenues for the quarter rose by 10 percent compared with the year-earlier period. Adjusted for currency effects the increase was 6 percent. Operating earnings improved by 12 percent including items affecting comparability, which had an adverse effect on earnings of SEK 24 M. Adjusted for currency effects and items affecting comparability, the improvement was 19 percent. Revenue growth in the fourth quarter, adjusted for currency effects, is attributable to increased volumes for the Group's own portfolios and to acquisitions, while growth from external customers remained relatively unchanged. The improved operating result excluding items affecting comparability is attributable to volume growth and improved margins.



## Financial Services

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Revenues	570	495	15	2,173	1,791	21
Service line earnings	275	273	1	1,159	969	20
Service line margin, %	48	55		53	54	
Return on Purchased debt, %	18	21		20	21	
Investments in Purchased debt	454	266	71	1,950	2,475	-21
Carrying amount, Purchased debt	6,197	5,411	15	6,197	5,411	15

Revenues for the quarter rose by 15 percent compared with the year-earlier period. Adjusted for currency effects, the increase was 11 percent. Operating earnings rose by 1 percent including items affecting comparability, which had an adverse effect on earnings of SEK 38 M. Adjusted for currency effects and items affecting comparability, the improvement was 12 percent. Income is growing mainly as a consequence of greater investment in purchased debt in previous years, which has generated a 15-percent increase in the carrying amount of purchased debt. The return on purchased debt was 18 percent for the quarter and 21 percent excluding items affecting comparability, at a level comparable to that of the previous year. The level of investment in purchased debt was much higher than the year-earlier period, however the comparative period was relatively weak. Competition within purchased debt remains high in most markets.

For a description of Intrum Justitia's accounting principle for Purchased Debt, please see page 60 of the 2013 Annual Report.

## Market outlook

Europe is characterized by considerable regional differences and there is substantial uncertainty regarding the macroeconomic situation in several countries. A significantly weakened macroeconomic situation in Europe, with increased unemployment, has a negative impact on Intrum Justitia.

Intrum Justitia believes that the Group's strategic focus is well suited to market trends, with a broadening of credit management services and a link to risk reduction and financing services based on strong, market-leading collection operations. Companies are experiencing a growing need to generate stronger and more predictable cash flow, as well as the need to create additional alternatives for the financing of working capital, for example by selling receivables. These are trends that, in the long term, will benefit Intrum Justitia.

## Taxation assessments

Following a tax audit of the Group's Swedish Parent Company for the 2009 financial year, the Swedish National Tax Board decided in 2011 to impose a tax surcharge of SEK 19 M. The company lost an appeal to the Administrative Court of Appeal in February 2014. However, Intrum Justitia maintains that its tax returns contained no misstatements and that the conditions for a tax surcharge have therefore not been met. The company therefore appealed the ruling in May 2014 to have the case considered by the Supreme Administrative Court of Sweden.



During the year, a tax dispute in Finland was ruled on in Intrum Justitia's favor and the verdict became legally binding in the third quarter. The ruling means that the company received SEK 18 M back in tax and tax surcharges that had been previously paid and recognized as an expense in connection with a tax dispute relating to the financial years 1999-2007.

Intrum Justitia's assessment is that the tax expense will, over the next few years, be 20-25 percent of earnings before tax for each year, excluding the outcome of any tax disputes.

## Parent Company

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

The Parent Company reported net revenues of SEK 92 M (90) for 2014 and earnings before tax of SEK 102 M (negative 22), including earnings from investments in subsidiaries of SEK 221 M (18). The Parent Company invested SEK 0 M (0) in fixed assets during the year and had, at the end of the year, SEK 12 M (6) in cash and equivalents. The average number of employees was 53 (46).

## Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the Group and in accordance with Chapter 9 of the Annual Accounts Act for the Parent Company. The same accounting principles and calculation methods have been applied as in the most recent Annual Report.

## Acquisition of Profidebt sro

On January 31, 2014, Intrum Justitia agreed to acquire 100 percent of the shares in Czech company Profidebt sro for a cash purchase consideration of CZK 280 M, equivalent to SEK 90 M. The preliminary acquisition analysis is detailed in Intrum Justitia's Q1 interim report.

## Acquisition of Advis A/S

At the beginning of October 2014, Intrum Justitia agreed to acquire 100 percent of the shares in Danish company Advis A/S for a cash purchase consideration of DKK 141 M, equivalent to SEK 174 M.

The preliminary acquisition analysis is detailed in the following table:

SEK M	amounts before acquisition	to fair value	recognized in Group
Intangible fixed assets	24	2	26
Tangible fixed assets	1		1
Current assets	23	2	25
Liquid assets	3		3
Deferred tax	0	3	3
Other liabilities	-18	-16	-34
<b>Net assets</b>	<b>33</b>	<b>-9</b>	<b>24</b>
Consolidated goodwill			150
Purchase consideration paid			-174
Acquired liquid assets			3
<b>Net effect on liquid assets</b>			<b>-171</b>

## Significant risks and uncertainties

The Group's and the Parent Company's risks include strategic risks related to economic developments and acquisitions as well as operational risks related to, among other things, possible errors and omissions as well as operations in different countries. Moreover, there are risks related to the regulatory environment and regulated operations, as well as financial risks such as market risk, financing risk, credit risk, risks inherent in purchased debt and guarantees in conjunction with the screening of charge card applications. The risks are described in more detail in the Board of Directors' report in Intrum Justitia's 2013 Annual Report. No significant risks are considered to have arisen besides those described in the annual report.

## Dividend proposal

The Board of Directors of Intrum Justitia AB proposes that the Annual General Meeting distribute a dividend to the shareholders of SEK 7.00 (5.75) per share, corresponding to a total of SEK 517 M (445). The dividend amount is based on the number of outstanding shares as per December 31, 2014, and may be adjusted in the event of any repurchases up until the record date for the dividend.

## Events after the end of the period

On January 28, the Board of Directors of Intrum Justitia AB resolved to continue with the company's repurchase program. The program runs up to and including 23 March, covering repurchases totaling a maximum of SEK 100 M. Through the program, Intrum Justitia returns further funds to shareholders and it is the assessment of the Board of Directors that this will give the company a more optimized capital structure. The intention of the program is to reduce Intrum Justitia's share capital by canceling the shares that are repurchased. In accordance with the authorization provided by the 2014 Annual General Meeting, a maximum corresponding to 10 percent of the company's shares may be repurchased during the period extending until the 2015 Annual General Meeting.

Alessandro Pappalardo has been appointed new Purchased Debt Director. Alessandro has worked within Intrum Justitia since 2013, currently as Deputy Purchased Debt Director. He has around ten years experience of investments in European loan portfolios at Goldman Sachs. Alessandro assumes his new role on 1 February 2015, succeeding Lars Wollung, the Group CEO, who has been acting Purchased Debt Director since April 2014.

## Presentation of the year-end report

The interim report and presentation material are available at [www.intrum.com/Investor](http://www.intrum.com/Investor) relations. President & CEO Lars Wollung and Chief Financial Officer Erik Forsberg will comment on the report at a teleconference today, starting at 9:00 a.m. CET. The presentation can be followed at [www.intrum.com](http://www.intrum.com) and/or [www.financialhearings.com](http://www.financialhearings.com). To participate by phone, call +46 (0)8 505 564 78 (SE) or +44 (0)20 336 453 72 (UK).

## For further information, please contact

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## Financial calendar 2015

The interim report for January-March will be published April 22, 2015

The interim report for January-June will be published July 16, 2015

The interim report for January-October will be published October 21, 2015

The year-end report for January-December 2015 will be published January 28, 2016

The 2015 Annual General Meeting of Intrum Justitia will be held on Wednesday, April 22, 2015 at 3:00 p.m. CET at Operaterrassen, Karl XII:s Torg, Stockholm, Sweden.

The 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.

Stockholm, January 29, 2015

*Lars Wollung*  
President and CEO

## About the Intrum Justitia Group

Intrum Justitia is Europe's leading Credit Management Services (CMS) group, offering comprehensive credit management services, including Purchased Debt, designed to measurably improve clients' cash flows and long-term profitability. Founded in 1923, Intrum Justitia has some 3,800 employees in 20 markets. Consolidated revenues amounted to SEK 5.2 billion in 2014. Intrum Justitia AB has been listed on the NASDAQ OMX Stockholm exchange since 2002. For further information, please visit [www.intrum.com](http://www.intrum.com).

## Intrum Justitia Group – Consolidated Income Statement

SEK M	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Revenues	1,370	1,231	5,184	4,566
Cost of sales	-810	-710	-2,963	-2,663
<b>Gross earnings</b>	<b>560</b>	<b>521</b>	<b>2,221</b>	<b>1,903</b>
Sales and marketing expenses	-73	-58	-262	-211
Administrative expenses	-180	-122	-585	-484
Impairment write-down of goodwill	-111	0	-111	0
Release of liability for deferred payment regarding shares in subsidiaries	164	0	164	0
Participation in associated companies and joint ventures	0	-1	3	-1
<b>Operating earnings (EBIT)</b>	<b>360</b>	<b>340</b>	<b>1,430</b>	<b>1,207</b>
Net financial items	-54	-46	-183	-161
<b>Earnings before tax</b>	<b>306</b>	<b>294</b>	<b>1,247</b>	<b>1,046</b>
Tax	-12	-58	-206	-227
<b>Net income for the period</b>	<b>294</b>	<b>236</b>	<b>1,041</b>	<b>819</b>
<b>Of which attributable to:</b>				
Parent company's shareholders	288	236	1,031	817
Non-controlling interest	6	0	10	2
<b>Net earnings for the period</b>	<b>294</b>	<b>236</b>	<b>1,041</b>	<b>819</b>
Earnings per share before and after dilution	3.85	3.00	13.48	10.30

## Intrum Justitia Group - Statement of Comprehensive Income

SEK M	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Net income for the period	294	236	1,041	819
Other comprehensive income, items that will be reclassified to profit and loss:				
Currency translation difference	83	42	122	30
Other comprehensive income, items that will not be reclassified to profit and loss:				
Remeasurement of pension liability	-22	3	-22	3
<b>Comprehensive income for the period</b>	<b>355</b>	<b>281</b>	<b>1,141</b>	<b>852</b>
<b>Of which attributable to:</b>				
Parent company's shareholders	346	280	1,126	850
Non-controlling interest	9	1	15	2
<b>Comprehensive income for the period</b>	<b>355</b>	<b>281</b>	<b>1,141</b>	<b>852</b>

## Intrum Justitia Group – Consolidated Balance Sheet

SEK M	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>		
<b>Intangible fixed assets</b>		
Goodwill	2,719	2,542
Capitalized expenditure for IT development and other intangibles	244	237
Client relationships	23	42
<b>Total intangible fixed assets</b>	<b>2,986</b>	<b>2,821</b>
<b>Tangible fixed assets</b>	<b>127</b>	<b>105</b>
<b>Other fixed assets</b>		
Purchased debt	6,197	5,411
Deferred tax assets	35	69
Other long-term receivables	17	6
<b>Total other fixed assets</b>	<b>6,249</b>	<b>5,486</b>
<b>Total fixed assets</b>	<b>9,362</b>	<b>8,412</b>
<b>Current Assets</b>		
Accounts receivable	307	302
Client funds	568	525
Tax assets	48	25
Other receivables	633	452
Prepaid expenses and accrued income	157	166
Cash and cash equivalents	266	340
<b>Total current assets</b>	<b>1,979</b>	<b>1,810</b>
<b>TOTAL ASSETS</b>	<b>11,341</b>	<b>10,222</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Attributable to parent company's shareholders	2,948	3,235
Attributable to non-controlling interest	93	81
<b>Total shareholders' equity</b>	<b>3,041</b>	<b>3,316</b>
<b>Long-term liabilities</b>		
Liabilities to credit institutions	1,727	1,847
Medium term note	3,231	2,056
Other long-term liabilities	4	170
Provisions for pensions	133	102
Other long-term provisions	3	3
Deferred tax liabilities	390	383
<b>Total long-term liabilities</b>	<b>5,488</b>	<b>4,561</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	85	51
Commercial paper	728	598
Client funds payable	568	525
Accounts payable	159	145
Income tax liabilities	142	78
Advances from clients	16	18
Other current liabilities	325	300
Accrued expenses and prepaid income	789	630
<b>Total current liabilities</b>	<b>2,812</b>	<b>2,345</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>11,341</b>	<b>10,222</b>

## Fair value of financial instruments

The majority of the Group's financial assets and liabilities (purchased debt, accounts receivable, other receivables, liquid assets, liabilities to credit institutions, bond loans, commercial papers, accounts payable and other receivables) are valued in the financial statements at amortized cost. For these financial instruments, the carrying amount is deemed to be the best estimate of the fair value. The Group also has financial assets and liabilities in the form of forward exchange contracts, which are measured at fair value via profit/loss in the financial statements. The amounts were not significant.

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

SEK M	2014			2013		
	Attributable to Parent Company's shareholders	Non-controlling interest	Total	Attributable to Parent Company's shareholders	Non-controlling interest	Total
<b>Opening Balance, January 1</b>	3,235	81	3,316	2,984	2	2,986
Dividend	-445	-3	-448	-399		-399
Acquired non-controlling interest			0		77	77
Repurchase of shares	-968		-968	-200		-200
Comprehensive income for the period	1,126	15	1,141	850	2	852
<b>Closing Balance, December 31</b>	<b>2,948</b>	<b>93</b>	<b>3,041</b>	<b>3,235</b>	<b>81</b>	<b>3,316</b>

## Intrum Justitia Group – Quarterly Overview

	Quarter 4 2014	Quarter 3 2014	Quarter 2 2014	Quarter 1 2014	Quarter 4 2013
Revenues, SEK M	1,370	1,309	1,301	1,204	1,231
Revenue growth, %	11	15	13	15	17
Operating earnings (EBIT), MSEK	360	415	372	283	340
Operating earnings excluding revaluations, MSEK	353	400	349	293	333
Operating margin excluding revaluations, %	26	31	27	24	27
EBITDA, MSEK	771	794	750	681	721

## Intrum Justitia Group – Cash Flow Statement

SEK M	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
<b>Operating activities</b>				
Operating earnings (EBIT)	360	340	1,430	1,207
Depreciation/amortization and impairment write-down	52	40	170	157
Amortization/revaluation of Purchased debt	359	341	1,395	1,320
Adjustment for items not included in cash flow	-48	2	-45	6
Interest received	3	6	13	17
Interest paid and other financial expenses	-43	-38	-175	-162
Income tax paid	-27	-26	-138	-111
<b>Cash flow from operating activities before changes in working capital</b>	<b>656</b>	<b>665</b>	<b>2,650</b>	<b>2,434</b>
Changes in factoring receivables	-18	2	-38	-89
Other changes in working capital	146	-3	60	-40
<b>Cash flow from operating activities</b>	<b>784</b>	<b>664</b>	<b>2,672</b>	<b>2,305</b>
<b>Investing activities</b>				
Purchases of tangible and intangible fixed assets	-43	-37	-142	-121
Investments in Purchased debt	-454	-266	-1,950	-2,475
Purchases of shares in subsidiaries and other companies	-174	0	-148	2
Other cash flow from investing activities	-1	0	-10	16
<b>Cash flow from investing activities</b>	<b>-672</b>	<b>-303</b>	<b>-2,250</b>	<b>-2,578</b>
<b>Financing activities</b>				
Borrowings and repayment of	244	-266	915	860
Repurchase of shares	-350	0	-968	-200
Share dividend to Parent	0	0	-445	-399
Company's shareholders Share dividend to non-controlling interest	0	0	-3	0
<b>Cash flow from financing activities</b>	<b>-106</b>	<b>-266</b>	<b>-501</b>	<b>261</b>
<b>Change in liquid assets</b>	<b>6</b>	<b>95</b>	<b>-79</b>	<b>-12</b>
<b>Opening balance of liquid assets</b>	<b>259</b>	<b>238</b>	<b>340</b>	<b>348</b>
Exchange rate differences in liquid assets	1	7	5	4
<b>Closing balance of liquid assets</b>	<b>266</b>	<b>340</b>	<b>266</b>	<b>340</b>



## Intrum Justitia Group – Five-Year Overview

	<b>2014</b>	2013	2012	2011	2010
	<b>Oct-Dec</b>	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
Revenues, SEK M	1,370	1,231	1,054	1,043	965
Revenue growth, %	11	17	1	8	-8
Operating earnings (EBIT), SEK M	360	340	230	228	182
Operating earnings (EBIT) excl revaluations, SEK M	353	333	278	234	176
Operating margin excl revaluations, %	26	27	25	22	18
EBITDA, SEK M	771	721	631	527	425
Earnings before tax, SEK M	306	294	185	194	161
Net income, SEK M	294	236	176	163	121
Net Debt, SEK M	5,635	4,328	3,261	2,692	2,193
Net Debt/EBITDA RTM	1.88	1.61	1.49	1.40	1.29
Earnings per share, SEK	3.85	3.00	2.19	2.04	1.52
EPS growth, %	28	37	7	34	-13
Average number of shares, '000	74,797	78,547	79,745	79,745	79,745
Number of shares outstanding at end of period, '000	73,848	78,547	79,745	79,745	79,745
Return on Purchased debt, %	18	21	18	20	20
Investments in Purchased debt, SEK M	454	266	753	498	417
Average number of employees	3,806	3,599	3,391	3,314	3,039
	<b>2014</b>	2013	2012	2011	2010
	<b>Full Year</b>	Full Year	Full Year	Full Year	Full Year
Revenues, SEK M	5,184	4,566	4,048	3,950	3,766
Revenue growth, %	14	13	2	5	-9
Operating earnings (EBIT), SEK M	1,430	1,207	879	868	731
Operating earnings (EBIT) excl revaluations, SEK M	1,395	1,200	958	849	727
Operating margin excl revaluations, %	27	26	23	22	19
EBITDA, SEK M	2,996	2,684	2,199	1,929	1,702
Earnings before tax, SEK M	1,247	1,046	729	753	639
Net income, SEK M	1,041	819	584	553	452
Net Debt, SEK M	5,635	4,328	3,261	2,692	2,193
Net Debt/EBITDA RTM	1.88	1.61	1.49	1.40	1.29
Earnings per share, SEK	13.48	10.30	7.32	6.91	5.67
EPS growth, %	31	41	6	22	3
Dividend/proposed dividend per share, SEK	7.00	5.75	5.00	4.50	4.10
Average number of shares, '000	76,462	79,306	79,745	79,745	79,745
Number of shares outstanding at end of period, '000	73,848	78,547	79,745	79,745	79,745
Return on Purchased debt, %	20	21	17	21	18
Investments in Purchased debt, SEK M	1,950	2,475	2,014	1,804	1,050
Average number of employees	3,801	3,532	3,475	3,331	3,099

Comparative figure for 2012 above are restated in accordance with IFRS 11 and IAS19R. Earlier years have not been restated.

## Operating Segments

### Regions – Revenues from external clients

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Northern Europe	676	647	4	2,556	2,476	3
Central Europe	391	312	25	1,433	1,088	32
Western Europe	303	272	11	1,195	1,002	19
<b>Total revenues from external clients</b>	<b>1,370</b>	<b>1,231</b>	<b>11</b>	<b>5,184</b>	<b>4,566</b>	<b>14</b>

### Regions – Intercompany revenues

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Northern Europe	72	70	3	265	233	14
Central Europe	70	67	4	261	244	7
Western Europe	33	25	32	122	94	30
Eliminations	-175	-162	8	-648	-571	13
<b>Total intercompany revenues</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	

### Regions – Revaluations of purchased debt

SEK M	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Northern Europe	-2	4	17	-5
Central Europe	9	-3	15	1
Western Europe	0	6	3	11
<b>Total revaluation</b>	<b>7</b>	<b>7</b>	<b>35</b>	<b>7</b>

## Regions – Revenues excluding revaluations

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Northern Europe	678	643	5	2,539	2,481	2
Central Europe	382	315	21	1,418	1,087	30
Western Europe	303	266	14	1,192	991	20
<b>Total revenues excluding revaluations</b>	<b>1,363</b>	<b>1,224</b>	<b>11</b>	<b>5,149</b>	<b>4,559</b>	<b>13</b>

## Regions – Amortization related to acquisitions

SEK M	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Northern Europe	-2	-2	-8	-7
Central Europe	0	0	0	0
Western Europe	-1	-3	-4	-12
<b>Total amortization and impairment</b>	<b>-3</b>	<b>-5</b>	<b>-12</b>	<b>-19</b>

## Regions – Operating earnings (EBIT)

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Northern Europe	167	208	-20	750	743	1
Central Europe	128	69	86	431	266	62
Western Europe	65	63	3	249	198	26
<b>Total operating earnings</b>	<b>360</b>	<b>340</b>	<b>6</b>	<b>1,430</b>	<b>1,207</b>	<b>18</b>
Net financial items	-54	-46	17	-183	-161	14
<b>Earnings before tax</b>	<b>306</b>	<b>294</b>	<b>4</b>	<b>1,247</b>	<b>1,046</b>	<b>19</b>

## Regions – Operating earnings excluding revaluations

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Northern Europe	169	204	-17	733	748	-2
Central Europe	119	72	65	416	265	57
Western Europe	65	57	14	246	187	32
<b>Total operating earnings excluding revaluations</b>	<b>353</b>	<b>333</b>	<b>6</b>	<b>1,395</b>	<b>1,200</b>	<b>16</b>

## Regions – Operating margin excluding revaluations

%	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Northern Europe	25	32	29	30
Central Europe	31	23	29	24
Western Europe	21	21	21	19
<b>Operating margin for the Group</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>26</b>

## Service lines – Revenues

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Credit Management	1,019	927	10	3,844	3,469	11
Financial Services	570	495	15	2,173	1,791	21
Elimination of inter-service line revenue	-219	-191	15	-833	-694	20
<b>Total revenues</b>	<b>1,370</b>	<b>1,231</b>	<b>11</b>	<b>5,184</b>	<b>4,566</b>	<b>14</b>

## Revenues by type

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
External Credit Management	800	736	9	3,011	2,775	9
Collections on Purchased debt	902	820	10	3,469	3,040	14
Amortization of Purchased debt	-366	-348	5	-1,430	-1,327	8
Revaluation of Purchased debt	7	7	-	35	7	-
Other revenues from Financial Services	27	16	69	99	71	39
<b>Total revenues</b>	<b>1,370</b>	<b>1,231</b>	<b>11</b>	<b>5,184</b>	<b>4,566</b>	<b>14</b>

## Service lines – Service line earnings

SEK M	Oct-Dec 2014	Oct-Dec 2013	Change %	Full Year 2014	Full Year 2013	Change %
Credit Management	246	219	12	912	823	11
Financial Services	275	273	1	1,159	969	20
Common costs	-161	-152	6	-641	-585	10
<b>Total operating earnings</b>	<b>360</b>	<b>340</b>	<b>6</b>	<b>1,430</b>	<b>1,207</b>	<b>18</b>

## Service lines – Service line margin

%	Oct-Dec 2014	Oct-Dec 2013	Full Year 2014	Full Year 2013
Credit Management	24	24	24	24
Financial Services	48	55	53	54
<b>Operating margin for the Group</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>26</b>

## Intrum Justitia AB (parent company) – Income Statement

SEK M	Full Year 2014	Full Year 2013
Revenues	92	90
<b>Gross earnings</b>	<b>92</b>	<b>90</b>
Sales and marketing expenses	-22	-16
Administrative expenses	-130	-142
<b>Operating earnings (EBIT)</b>	<b>-60</b>	<b>-68</b>
Income from subsidiaries	221	18
Net financial items	-59	-40
<b>Earnings before tax</b>	<b>102</b>	<b>-90</b>
Tax	-19	0
<b>Net earnings for the period</b>	<b>83</b>	<b>-90</b>

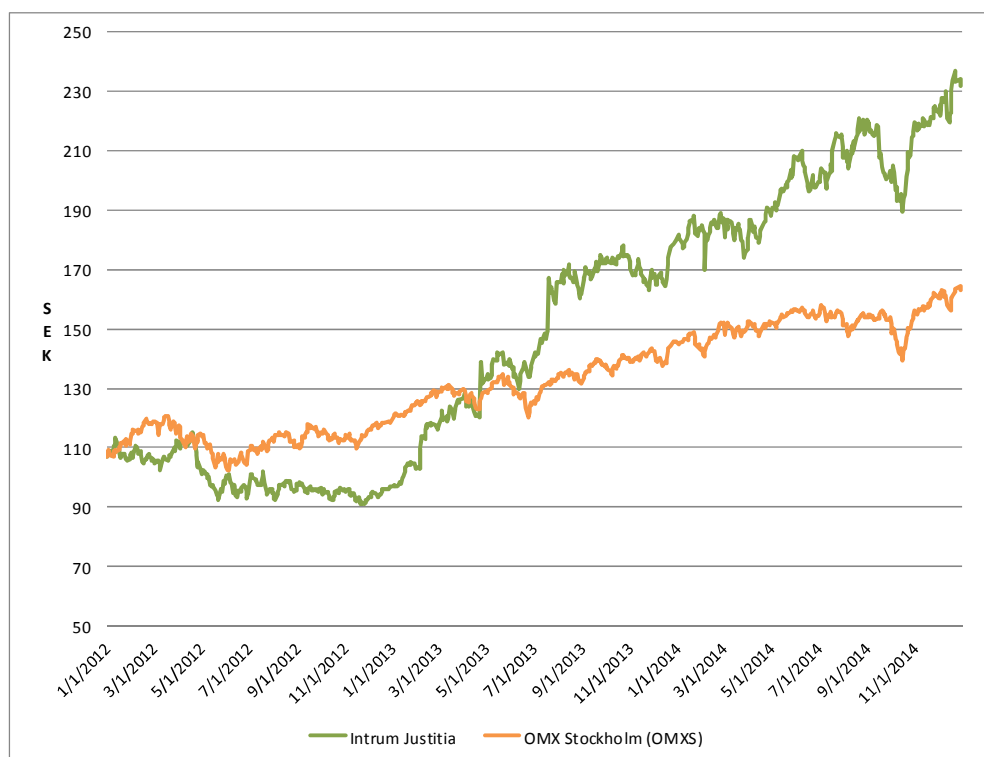
## Intrum Justitia AB (parent company) – Statement of Comprehensive Income

SEK M	Full Year 2014	Full Year 2013
Net earnings for the period	83	-90
Other comprehensive income:	-237	-154
Change of translation reserve (fair value reserve)		
<b>Total comprehensive income</b>	<b>-154</b>	<b>-244</b>

## Intrum Justitia AB (parent company) – Balance Sheet

SEK M	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>		
<b>Fixed assets</b>		
Financial fixed assets	7,585	7,409
<b>Total fixed assets</b>	<b>7,585</b>	<b>7,409</b>
<b>Current assets</b>		
Current receivables	3,570	3,424
Cash and bank balances	12	6
<b>Total current assets</b>	<b>3,582</b>	<b>3,430</b>
<b>TOTAL ASSETS</b>	<b>11,167</b>	<b>10,839</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Restricted equity	284	284
Unrestricted equity	1,445	3,012
<b>Total shareholders' equity</b>	<b>1,729</b>	<b>3,296</b>
Long-term liabilities	6,668	5,524
Current liabilities	2,770	2,019
<b>TOTAL SHAREHOLDERS*</b>	<b>11,167</b>	<b>10,839</b>
<b>EQUITY AND LIABILITIES</b>		
Pledged assets	None	None
Contingent liabilities	None	None

## Share price trend



## Intrum Justitia Group - Ownership Structure

31 December 2014	No of shares	Capital and Votes, %
Fidelity Investment Management	7,599,534	10.3
SEB Funds	4,582,764	6.2
Bank of Norway Investment Management	2,812,011	3.8
State of New Jersey Pension Fund	2,500,000	3.4
Lannebo Funds	2,260,000	3.1
AMF Insurance and Funds	1,931,547	2.6
Carnegie Funds	1,828,929	2.5
Swedbank Robur Funds	1,706,778	2.3
Skandia Life Insurance Company	1,675,051	2.3
SHB Funds	1,600,663	2.2
Odin Funds	1,536,532	2.1
Standard Life Investment Funds	1,154,061	1.6
Enter Funds	1,034,700	1.4
College Retirement Equities Fund	951,259	1.3
Threadneedle Investment Funds	833,242	1.1
<b>Total, fifteen largest shareholders</b>	<b>34,007,071</b>	<b>46.1</b>

### Total number of shares:

**73,847,534**

Treasury shares. 3.531.410 shares are not included in the total number of

Swedish ownership accounted for 39.1 percent (institutions 13.2 percentage mutual funds 20.2 percentage points, retail 5.7 percentage points) Source: SIS Aktieägarservice



## **Definitions**

Increases in revenues, operating earnings and earnings before tax refer to the percentage increase in each income statement item year-over-year.

Organic growth refers to the average increase in revenues in local currency, adjusted for revaluations of purchased debt portfolios and the effects of acquisitions and divestments of Group companies.

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 purchased debt is the service line earnings for the period, excluding the Group's new services such as factoring and payment guarantees, recalculated on a full-year basis, as a percentage of the average carrying amount of the balance-sheet item 'purchased debt'.

Cash flow from purchased debt consists of funds collected on purchased debt with deductions for the service line's overheads, primarily collection costs.

Net debt is interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables.

Earnings before depreciation and amortization (EBITDA) are operating earnings after depreciation on fixed assets as well as amortization and revaluations of purchased debt are added back.

The abbreviation 'RTM' refers to figures on a rolling 12-month basis.

Service line earnings are that part of operating earnings that can be attributed to the service lines, i.e. excluding shared costs for marketing and administration.

Region Northern Europe comprises the Group's activities for external clients and debtors in Denmark, Estonia, Finland, the Netherlands, Norway, Poland, Russia and Sweden.

Region Central Europe comprises the Group's activities for external clients and debtors in Austria, the Czech Republic, Germany, Hungary, Slovakia and Switzerland.

Region Western Europe comprises the Group's activities for external clients and debtors in Belgium, France, Ireland, Italy, Portugal, Spain and the United Kingdom.