



6 February 2009

Fourth Quarter and Year-End Report 2008

Year-end 2008

- Net turnover amounted to SEK 14,280 M (15,402).
- Net loss for the year was SEK 110 M (profit: 100) and loss per share SEK 5.35 (EPS: 4.75).
- Cash flow after net investments amounted to SEK 581 M (-590).
- No dividend is proposed (SEK 8.00).

Fourth quarter

- Net turnover amounted to SEK 3,335 M (4,518).
- Operating profit excluding items affecting comparability amounted to SEK 9 M (70).
- Loss before tax amounted to SEK 146 M (profit: 38).
- SEK 140 M in structural costs and impairment losses etc. were charged to earnings.
- Cash flow after net investments amounted to SEK 152 M (-223).

In a comment on the fourth quarter, Bilias's Managing Director Jan Pettersson says:

“The decline in the market was dramatic, and against that background we are happy to report positive underlying operating earnings and strong cash flow. We took measures early during the year to reduce costs and tied-up capital, giving us a solid platform on which to face a very tough 2009”.

Group	Fourth quarter		Full year	
	2008	2007	2008	2007
Net turnover, SEK M	3,335	4,518	14,280	15,402
Operating profit/loss excl. items affecting comparability, SEK M ¹⁾	9	70	-16	177
Operating margin excl. items affecting comparability, %	0.3	1.6	-0.1	1.2
Operating profit/loss, SEK M	-117	47	-57	169
Operating margin, %	-3.5	1.1	-0.4	1.1
Profit/loss before tax, excl. items affecting comparability, SEK M ¹⁾	-6	61	-84	158
Profit/loss before tax, SEK M	-146	38	-139	150
Profit/loss from continuing operations, SEK M	-152	22	-111	106
Profit/loss from discontinued operation, net after tax, SEK M	-	-3	1	-6
Net profit/loss for the year, SEK M	-152	19	-110	100
Earnings/loss per share, SEK ²⁾	-7.40	0.95	-5.35	4.75

¹⁾ Items affecting comparability are shown on page 4.

²⁾ The number of shares used in the calculation is shown in the table on page 14.

Notable events after the third quarter

- An extraordinary shareholders' meeting resolved to issue subordinated debentures in an amount of no more than SEK 107.3 M with an associated issue of no more than 5,364,813 warrants. The issue is secured up to an amount of SEK 100 M by a subscription commitment and guarantee from Investment AB Öresund.
- The outcome of the new issue was to bring in SEK 100 M to Bilia, before issue expenses of 6 SEK M, by the floating of a debenture loan of SEK 100 M and an associated issue of 5,000,000 warrants. The warrants entitle holders to subscribe to an equal number of shares of Series A in Bilia for SEK 20 each.

Notable events reported previously during 2008

- Bilia sold a property in Västerås.
- Bilia acquired all shares in Bilforum AS and Bilforum Finans AS, which represent Volvo, Renault and Land Rover in the Stavanger area.
- On 20 February, Bilia's subsidiary Säfveån won a longstanding dispute in the District Court of Gothenburg. The opposite party, Pacta, appealed the judgement on 11 March to the Court of Appeal for Western Sweden.
- Bilia concluded an agreement on the sale of properties in Sweden to a subsidiary of Corem Property Group.
- Bilia acquired the real estate company A/S Selandia Ejendomsselskab. At the same time one of the properties, Lyngby, was sold.
- Bilia concluded an agreement on the sale of four properties in Copenhagen to a subsidiary of Corem Property Group.
- The Market Court convicted Bilia and seven other Volvo dealers in Skåne and Blekinge of violating the competition rules. Bilia was ordered to pay a restraint-of-trade fine of SEK 6 M, which was just under 5 per cent of the Swedish Competition Authority's original fine of SEK 122 M.

Further information on the above events and other press releases are provided at www.bilia.com

Fourth quarter 2008

Demand for cars decreased sharply during the quarter and was at a considerably lower level compared with the same period last year. Demand for service also declined slightly during the quarter and was at a lower level compared with the same period last year.

Net turnover amounted to SEK 3,335 M (4,518). Adjusted for exchange rate changes and comparable operations, net turnover decreased by about SEK 1,267 M or 28 per cent. The decrease is mainly attributable to lower sales of new cars.

Operating loss amounted to SEK 117 M (profit: 47). Items affecting comparability affected the loss by SEK -126 M (-23). If items affecting comparability are excluded, operating profit amounted to SEK 9 M (70). A previously approved action programme began to take effect, and costs were reduced by about SEK 70 M, whereof about SEK 40 M is attributable to the action programme, partially compensating for the lower sales during the quarter. The poorer result compared with last year is attributable to lower new car sales and a lower margin in used car sales. The Service Business reported a better result.

Action programme

In response to the poorer market situation, an action programme was approved during the year with a total earnings effect of SEK 272 M per year, of which SEK 239 M is expected to take effect during 2009 (table on page 4). Most of the action programme is concerned with staff reductions. The total cost of implementing the action programme is estimated at about SEK 124 M, of which SEK 96 M was charged to earnings in the fourth quarter of 2008.

Items affecting comparability (see table on page 4) amounted to a net of SEK -126 M (-23) during the quarter and consist of SEK -96 M (-15) in costs for the action programme, SEK -29 M (-) in impairment of acquired surplus values, mainly goodwill, and SEK -1 M (-8) in costs for disputes.

Net financial items amounted to SEK -29 M (-9). The deterioration is mainly attributable to costs of SEK 10 M in connection with the signing of a new bank agreement and issue expenses of SEK 6 M. The figure includes the profit share from the indirect shareholding in Volvofinans in the amount of SEK 7 M (6).

Tax amounted to an expense of SEK 6 M (expense: 16). The tax expense during the quarter is attributable to impairment of tax assets by a net of SEK 45 M.

Net loss amounted to SEK 152 M (profit: 19) and loss per share to SEK 7.40 (EPS: 0.95). Exchange rate changes only affected the profit marginally.

Total assets decreased during the quarter by SEK 650 M to SEK 5,414 M. The decrease is mainly attributable to lower stocks of new and used cars and lower trade receivables.

Equity decreased during the quarter by SEK 155 M, amounting to SEK 1,229 M. The equity/assets ratio amounted to 23 per cent (21).

Investments and disposals amounted to SEK 62 M (-2). Replacement investments represented SEK 7 M (24), expansion investments SEK 23 M (17), environmental investments SEK 3 M (2) and investments in new construction and additions to properties SEK 3 M (10). Net investments in leased vehicles and finance leases amounted to SEK 26 M (-55).

Cash flow after net investments amounted to SEK 152 M (-223). Freeing tied-up capital was a priority within the Group during the year, and inventories and other receivables decreased by all of SEK 486 M during the quarter. Net debt decreased by SEK 134 M to SEK 820 M.

Liquidity was strengthened during the quarter. A new bank agreement with a total credit limit of SEK 930 M was signed with Nordea, Handelsbanken and Skandinaviska Enskilda Banken during the month of November. The credit limit had been amortised by SEK 202 M by the end of January 2009. The unutilised credit facility amounted to just under SEK 300 M at the end of January 2009, which is judged to be sufficient for current business activities.

The number of employees decreased by 141 during the quarter, amounting to 3,553.

Full year 2008

Demand for cars and service declined during the year and was at a lower level compared with 2007.

Net turnover amounted to SEK 14,280 M (15,402). Adjusted for exchange rate changes and comparable operations, net turnover decreased by about SEK 2,158 M or 14 per cent. The decrease is mainly attributable to lower sales of new cars.

Operating loss amounted to SEK 57 M (profit: 169). Items affecting comparability affected the loss by a net of SEK -41 M (-8). The poorer result compared with last year is mainly attributable to lower new car sales and lower margins in used car sales. The Service Business reported a slightly better result.

Items affecting comparability (see table on page 4) amounted to SEK -41 M (-8) and consist of a gain of SEK 124 M (-) from the sale of property, SEK -124 M (-18) in costs for the action programme, SEK -29 M (-) in impairment of acquired surplus values, mainly goodwill, and SEK -12 M (-12) in costs for disputes. Last year includes SEK 22 M as a result of a change in the pension plan in Norway.

Net financial items amounted to SEK -82 M (-19). The deterioration is mainly attributable to increased net debt and a higher interest rate level. Net financial items for the year have been charged with costs of SEK 10 M in connection with the signing of a new bank agreement and issue expenses of SEK 6 M. The figure includes the profit share from the indirect shareholding in Volvofinans in the amount of SEK 22 M (22).

Tax amounted to SEK +28 M (-44). This year's tax calculation includes non-taxable revenue of about SEK 110 M from the sale of property and impairment of tax assets by a net of SEK 45 M. At the end of the year, tax-loss carryforwards in foreign operations amounted to about SEK 200 M, which is not offset by a recorded tax asset.

Net loss for the year was SEK 110 M (profit: 100) and loss per share SEK 5.35 (EPS: 4.75). Exchange rate changes reduced the profit by SEK 5 M.

Total assets decreased by SEK 1,629 M to SEK 5,414 M. The decrease is mainly attributable to sale of properties, fewer cars with guaranteed residual values (leased vehicles), lower inventories and lower trade receivables.

Equity amounted to SEK 1,229 M (1,507).

Investments and disposals amounted to SEK 49 M (-64). Replacement investments represented SEK 39 M (52), expansion investments SEK 54 M (48), environmental investments SEK 5 M (4) and investments in new construction and additions to properties SEK 14 M (31). Net

investments in leased vehicles and finance leases amounted to SEK -63 M (-199).

Cash flow after net investments amounted to SEK 581 M (-590). The cash flow for the year comes mainly from lower working capital (SEK 309 M) and sale of property (net about SEK 345 M). Net debt decreased by SEK 402 M to SEK 820 M.

The number of employees decreased by 408 during the quarter, amounting to 3,553.

Changes in equity

Group, SEK M	2008	2007
Opening balance	1,507	1,684
Cash dividend to shareholders	-164	-172
Buy-back of shares ¹⁾	-	-115
Translation difference, etc.	-4	10
Net profit/loss for the year	-110	100
Closing balance	1,229	1,507

¹⁾ At the end of the fourth quarter of 2008, the holding of own shares amounted to 1,000,000 (1,000,000). The weighted average number of own shares during 2008 amounted to 1,000,000 (1,370,243).

Items affecting comparability

Group, SEK M	Fourth quarter		Full year	
	2008	2007	2008	2007
Operating profit/loss excl. items affecting comparability	9	70	-16	177
Items affecting comparability				
- Gain from property sales	-	-	124	-
- Structural costs etc.	-96	-15	-124	-18
- Impairment losses	-29	-	-29	-
- Changed pension plan in Norway	-	-	-	22
- Disputes	-1	-8	-12	-12
Operating profit/loss	-117	47	-57	169
Profit/loss before tax excl. items affecting comparability	-6	61	-84	158
Items affecting comparability				
- Gain from property/share sales	2	-	126	-
- Structural costs etc.	-96	-15	-124	-18
- Impairment losses	-29	-	-29	-
- Changed pension plan in Norway	-	-	-	22
- Disputes	-1	-8	-12	-12
- New bank agreement, issue expenses, etc.	-16	-	-16	-
Profit/loss before tax	-146	38	-139	150

Action programme/Earnings effect

SEK M	Acc. nine months 2008	Isolated fourth quarter 2008	Full year 2008	Full year 2009	Full year 2010
Sweden	12	20	32	120	130
Norway	2	12	14	49	72
Denmark	8	8	16	70	70
Total	22	40	62	239	272

Cars

No. of new cars	Deliveries				Order backlog 31 December	
	Fourth quarter		Full year		2008	2007
	2008	2007	2008	2007		
Sweden ¹⁾	4,815	7,283	18,690	23,336	1,330	2,991
Norway ²⁾	1,272	1,866	5,906	6,459	473	1,231
Denmark	1,112	2,012	4,749	6,719	171	514
Total	7,199	11,161	29,345	36,514	1,974	4,736

¹⁾ Region Mälardalen is included in deliveries for 2008 in the amount of 2,706 (2,050).

²⁾ Bilforum is included in deliveries for 2008 in the amount of 437 and in the order backlog in the amount of 33.

SEK M	Net turnover				Operating profit/loss, operating margin					
	Fourth quarter		Full year		Fourth quarter				Full year	
	2008	2007	2008	2007	2008	%	2007	%	2008	2007
Sweden	2,091	2,891	8,775	9,774	46	2.2	63	2.2	103	220
Norway	841	1,016	3,803	3,548	-17	-2.0	15	1.5	-28	15
Denmark	400	602	1,687	2,065	-13	-3.3	0	0.0	-49	-7
Total	3,332	4,509	14,265	15,387	16	0.5	78	1.7	26	228

- **New car market in slump**
- **Low margins on used cars**

The market for new cars decreased during the quarter in Sweden by 35 per cent, in Norway by 26 per cent and in Denmark by 37 per cent.

Net turnover amounted to SEK 3,332 M (4,509). Adjusted for exchange rate changes and comparable operations, net turnover decreased by about SEK 1,262 M or 28 per cent. The decrease is mainly attributable to lower sales of new and used cars.

Operating profit for Cars amounted to SEK 16 M (78). The Car Business reported a loss of SEK 76 M, which was SEK 75 M worse than last year. Lower sales of new cars and a lower margin in used car sales had a negative impact on earnings. Earnings have been charged with a net of SEK 17 M in value adjustments of cars in stock and increased provision for cars sold previously with guaranteed residual values. The operating profit in the Service Business totalled SEK 92 M (79). The improvement is attributable to a lower cost level during the quarter.

The operation in Sweden reported an operating profit of SEK 46 M (63). The difference compared with last year is attributable to lower sales of new and used cars and lower margins in used car sales. Earnings were charged with SEK 13 M in value adjustments of cars in stock and increased provision for cars sold previously with guaranteed residual values. The Service Business reports better earnings than last year.

The operating loss in Bilja's Norwegian operation amounted to SEK 17 M (profit: 15). The Service Business reports better earnings than last year. The Car Business is still under pressure and reports lower turnover in car sales and lower margins in used car sales.

The Danish operation reported an operating loss of SEK 13 M (0). The deterioration is attributable to lower sales of new cars and lower margins in used car sales. The Service Business developed well during the quarter after a year of large changes in the facility structure. Costs declined during the quarter after action programmes implemented previously during the year.

Cars - divided into Service and Car Businesses

SEK M	Net turnover ²⁾				Operating profit/loss			
	Fourth quarter		Full year		Fourth quarter		Full year	
	2008	2007	2008	2007	2008	2007	2008	2007
Service Business ¹⁾	1,221	1,338	4,940	4,792	92	79	251	234
- margin, %					7.6	5.9	5.1	4.9
Car Business ¹⁾	2,288	3,472	9,982	11,388	-76	-1	-225	-6
- margin, %					-3.3	0.0	-2.2	-0.1

¹⁾ Service includes workshop services, spare parts, accessories and petrol in the car operation. The Car Business includes sales of new and used cars and customer financing.

²⁾ Net turnover does not include eliminations for internal sales.

- Lower demand for cars
- Better earnings in the Service Business

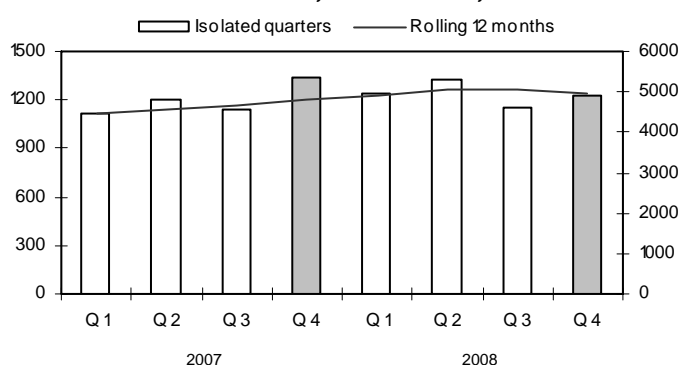
The Service Business's sales decreased by about 12 per cent, adjusted for exchange rate changes and comparable operations. Sweden decreased by 13 per cent, Norway by 7 per cent and Denmark by 14 per cent. Operating profit increased by SEK 13 M to SEK 92 M, and the margin increased by 1.7 percentage points to 7.6 per cent. The improvement is mainly attributable to Sweden, which reports a considerably lower cost level for the quarter.

The Car Business's deliveries of new cars declined during the quarter by all of 37 per cent for comparable operations. The order backlog declined during the quarter by 2,111 cars, amounting to 1,974 cars at the end of the year. Car turnover decreased by 36 per cent, adjusted

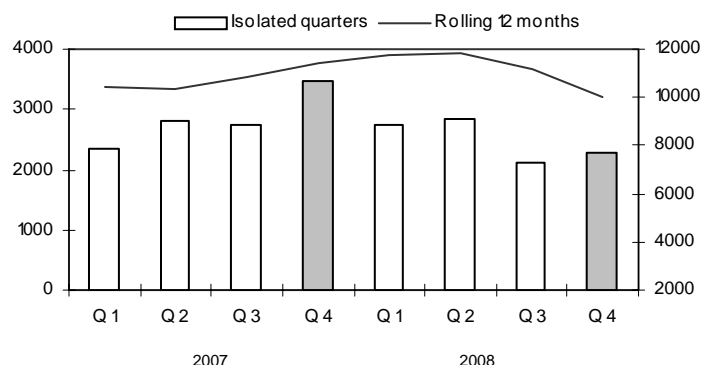
for exchange rate changes and comparable operations. The operating loss increased by SEK 75 M, amounting to SEK 76 M. This deterioration in earnings is attributable to a lower turnover in new car sales and lower margins in used car sales. Freeing tied-up capital was a priority during the quarter, leading to clearance sales of used cars, resulting in a considerably poorer gross profit margin during the quarter. An additional SEK 17 M was set aside during the quarter in provision for cars in stock and for cars previously sold with guaranteed residual values.

Stocks of both new and used cars were reduced by 20 per cent during the quarter and are now at an acceptable level. However, the goal is to further reduce car stocks during 2009.

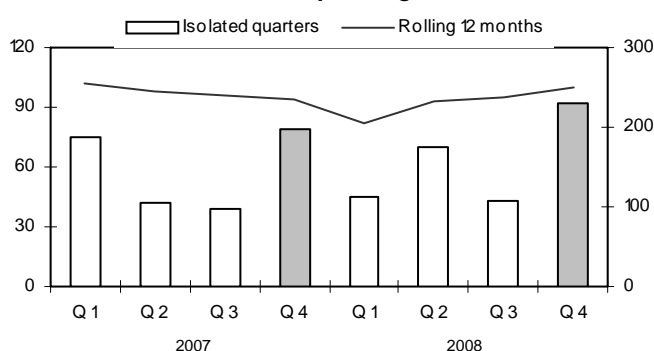
Service Business, Net Turnover, SEK M



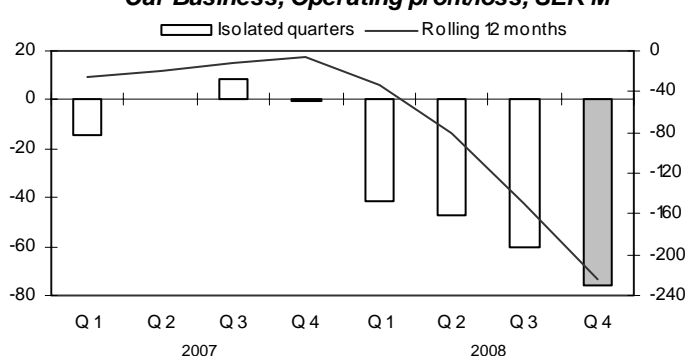
Car Business, Net Turnover, SEK M



Service Business, Operating Profit, SEK M



Car Business, Operating profit/loss, SEK M



Discontinued operations, Properties

During the fourth quarter of 2007, Bilia's Board of Directors decided to begin the process of selling properties in Sweden and Denmark. As from 2008, the properties are accounted for under the heading

“Discontinued operations”. The Swedish properties were disposed of in May 2008, and the Danish properties were disposed of in September 2008. This completes the winding-up process.

Profit/loss from discontinued operations

SEK M	Full year	
	2008	2007
Net turnover	15	9
Administrative expenses	8	11
Financial expenses	5	6
Profit/loss before tax	2	-8
Tax	-1	2
Profit/loss from discontinued operations, net after tax	1	-6
Earnings per share, SEK	0.05	-0.30

Acquisition of operation 2008

Bilforum AS and Bilforum Finans AS

Bilforum in Norway was acquired as per 1 January 2008 for SEK 66 M, which was paid in cash.

Bilforum represents Volvo, Renault and Land Rover in the Stavanger area.

During the accounting year, the subsidiaries charged the consolidated operating loss for 2008 with SEK 1 M. The underlying operating profit for 2008, excluding consolidation eliminations and adaptations to Bilia's accounting principles, amounted to SEK 2 M.

Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities.

The acquiree's net assets at the date of acquisition:

SEK M	Carrying amounts in Bilforum before acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	-	13	13
Property, plant and equipment	31	8	39
Long-term investments	5	-	5
Inventories	64	2	66
Trade receivables and other receivables	22	-	22
Cash and cash equivalents	1	-	1
Interest-bearing liabilities	39	-	39
Trade payables and other liabilities	53	8	61
Net identifiable assets and liabilities	31	15	46
Consolidated goodwill			20
Purchase consideration paid, cash ¹⁾			66
Cash and cash equivalents (acquired)			2
Net effect on cash and cash equivalents			64

¹⁾ Including fees for legal services amounting to SEK 0.3 M.

Goodwill arising in connection with the acquisition of Bilforum amounts to SEK 20 M. Acquired customer relations totalling SEK 13 M are recognised as intangible assets.

These customer relations will be amortised over 10 years.

Acquisition of operation 2008

A/S Selandia Ejendomsselskab

A/S Selandia Ejendomsselskab in Denmark was acquired as per 1 April 2008 for SEK 62 M, which was paid in cash.

The acquisition has not had any effect on earnings.

Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities.

The acquiree's net assets at the date of acquisition:

SEK M	Carrying amounts in A/S Selandia Ejendomsselskab before acquisition	Fair value adjustment	Fair value recognised in Group
Property, plant and equipment	291	8	299
Long-term investments	3	-	3
Trade receivables and other receivables	9	-	9
Interest-bearing liabilities	204	-	204
Trade payables and other liabilities	43	2	45
Net identifiable assets and liabilities	56	6	62
Purchase consideration paid, cash			62
Cash and cash equivalents (acquired)			-
Net effect on cash and cash equivalents			62

Acquisition of operation 2008

Eneqvist Fastighets AB

Eneqvist Fastighets AB was acquired as per 7 May 2008 for SEK 110 M, which was paid in cash.

The acquisition has not had any effect on earnings.

Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities.

The acquiree's net assets at the date of acquisition:

SEK M	Carrying amounts in Eneqvist Fastighets AB before acquisition	Fair value adjustment	Fair value recognised in Group
Property, plant and equipment	12	110	122
Trade payables and other liabilities	12	-	12
Net identifiable assets and liabilities	0	110	110
Purchase consideration paid, cash			110
Cash and cash equivalents (acquired)			-
Net effect on cash and cash equivalents			110

Acquisition of operation 2007

Hans Persson Bil AB

In May 2007, Bilia acquired all the trading subsidiaries of Hans Persson Bil AB for SEK 329 M, which was paid in cash. These

companies are dealers for Volvo, Renault and Ford.

Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities.

The acquiree's net assets at the date of acquisition:

SEK M	Carrying amounts in Hans Persson Bil AB's subsidiaries before acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	-	40	40
Property, plant and equipment	334	148	482
Long-term investments	10	31	41
Inventories	155	2	157
Trade receivables and other receivables	104	0	104
Cash and cash equivalents	6	-	6
Interest-bearing liabilities	304	11	315
Trade payables and other liabilities	153	58	211
Net identifiable assets and liabilities	152	152	304
Consolidated goodwill			25
Purchase consideration paid, cash			329
Cash and cash equivalents (acquired)			6
Net effect on cash and cash equivalents			323

Goodwill totalling SEK 25 M was generated by the acquisition. Acquired customer relations totalling SEK 37 M are recognised as intangible assets.

These customer relations will be amortised over 10 years.

Acquisition of operation 2007

Bilgruppen i Enköping Sala AB and Bilgruppen i Kungsängen AB

In June 2007, Bilia acquired the business in Bilgruppen i Enköping Sala AB and

Bilgruppen i Kungsängen AB, which are Ford dealers in Sweden, for SEK 28 M, which was paid in cash.

Effects of the acquisition

The acquisition has the following effects on the Group's assets and liabilities.

The acquiree's net assets at the date of acquisition:

SEK M	Carrying amounts in Bilgruppen before acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	-	12	12
Property, plant and equipment	13	-	13
Inventories	11	-	11
Trade receivables and other receivables	-	1	1
Trade payables and other liabilities	12	-	12
Net identifiable assets and liabilities	12	13	25
Consolidated goodwill			3
Purchase consideration paid, cash			28
Cash and cash equivalents (acquired)			-
Net effect on cash and cash equivalents			28

Goodwill totalling SEK 3 M was generated by the acquisition of the business in Bilgruppen. Acquired customer relations totalling SEK 12 M are recognised as intangible assets and will be amortised over 5 years.

Parent Company

Bilia AB is responsible for the Group's management, strategic planning, financing, accounting, public relations and business development. Furthermore, Bilia AB conducts training and IT activities, mainly for companies in the Group.

The Parent Company's operating loss for the fourth quarter amounted to SEK 14 M (loss: 7), while the loss for the whole year amounted to SEK 49 SEK M (loss: 50).

Dividend

In view of the financial situation and the deepening economic downturn, the Board of Directors proposes no dividend for financial year 2008.

Risks and uncertainties

As a result of its operations, the Bilia Group is exposed to both operating risks and financial risks.

The operating risks include:

- The market for new cars, which has been fairly stable during the past few years, while historically it has exhibited sharp fluctuations. During 2008, however, the market for new cars declined sharply in the markets where Bilia is active.
- Diminished demand for cars can affect the value of stock in hand and guaranteed residual values. During 2008, the diminished demand for used cars resulted in value adjustments of cars in stock and increased provisions for guaranteed residual values.
- Increasing competition in the markets where Bilia is active.
- The ability of suppliers to offer competitive products.
- Legal disputes. At present the Group is involved in legal proceedings relating to the Parent Company's right to deduct certain costs when calculating income tax and VAT. Furthermore, Bilia won the dispute in the District Court of Gothenburg regarding claims for damages relating to previous business operations. The opposite party has appealed to the Court of Appeal.
- Regulatory decisions that lead to changes in taxes and charges on the products Bilia sells can influence both demand for and

the valuation of cars in stock and cars sold with guaranteed residual values.

The financial risks include liquidity risks, interest rate risks, credit risks and currency risks.

- The recent turbulence in the financial markets has resulted in an increase in liquidity and credit risks.

Bilia works continuously with risk identification and risk assessment. For further information about the risks that affect the Group, please refer to the 2007 Annual Report.

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods are applied as in the most recent annual report.

Three interpretations from IFRIC - IFRIC 11, 12 and 14 - will be applied from financial year 2008. The interpretations will not have any effect on Bilia's Consolidated Income Statement, Balance Sheet, Cash Flow Statement or equity. Two interpretations from IFRIC - IFRIC 13 and 16 - have been issued but have not yet been approved by the EU and are therefore not applied.

Parent Company

The same accounting principles and calculation methods are applied as in the most recent annual report. The Parent Company complies with the Swedish Annual Reports Act and the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for Legal Entities. The application of RFR 2.1 means that, in the interim report for the legal entity, the Parent Company applies all IFRSs and statements approved by the EU whenever this is possible within the framework of the Annual Reports Act and the Act on Safeguarding of Pension Obligations, while taking account of the relationship between accounting and taxation.

Audit

This year-end report has not been subjected to special examination by the auditors.

Annual General Meeting 2009

The Annual General Meeting will be held on 16 April at 11 a.m. at Bilia's facility at Haga Norra in Stockholm. The annual report for 2008 will be published on 9 March 2009 on Bilia's website and will then be available at Bilia AB's head office in Göteborg. The

annual report will also be distributed to those shareholders who have so requested.

Next report

The interim report for the first quarter of 2009 will be published on 5 May 2009.

Göteborg, 6 February 2009

Bilia AB (publ)

Board of Directors

For further information, please contact Jan Pettersson, Managing Director and CEO, or Gunnar Blomkvist, CFO, telephone +46 31 709 55 00.

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INFORMATION ON BUSINESS SEGMENTS

Full year

SEK M	Cars		Other ¹⁾		Parent Company		Eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
NET TURNOVER										
External net turnover	14,265	15,387	0	8	15	7			14,280	15,402
Internal net turnover	-	0	-	-	25	23	-25	-23	-	-
Total net turnover	14,265	15,387	0	8	40	30	-25	-23	14,280	15,402
PROFIT/LOSS										
Operating profit/loss by business segment	26	228	-125	-9	-49	-50	91	0	-57	169
Net financial items by business segment	-95	-61	26	20	26	225	-39	-203	-82	-19
Tax expense ²⁾									28	-44
Profit/loss from disposal of discontinued business segment, net after tax									1	-6
Net profit for the year									-110	100
OTHER DISCLOSURES										
Assets, non-interest-bearing	4,814	6,451	9	13	72	45			4,895	6,509
Assets, interest-bearing	385	473	638	571	851	1,583			1,874	2,627
Eliminations							-1,355	-2,093	-1,355	-2,093
Total assets									5,414	7,043
Liabilities, non-interest-bearing	2,819	3,752	12	7	136	116			2,967	3,875
Liabilities, interest-bearing	1,578	2,466	4	3	655	1,307			2,237	3,776
Eliminations							210	-608	210	-608
Total equity and liabilities									5,414	7,043
Investments, net	39	-81	3	2	7	15			49	-64
Depreciation/amortisation	298	279	2	1	6	3			306	283
Expenses beyond depreciation/amortisation not matched by disbursements ³⁾	42	25	-	-	0	1			42	26

INFORMATION ON GEOGRAPHICAL SEGMENTS

Full year

SEK M	Net turnover		Assets		Investments	
	2008	2007	2008	2007	2008	2007
Sweden	8,775	9,774	2,809	3,913	194	90
Norway	3,803	3,548	1,556	2,114	-193	-190
Denmark	1,687	2,065	834	897	38	19
Other	0	8	647	584	3	2
Parent Company	40	30	923	1,628	7	15
Eliminations	-25	-23	-1,355	-2,093	-	-
Total Bilja Group	14,280	15,402	5,414	7,043	49	-64

- 1) Other companies and items affecting comparability. Operating profit/loss includes items affecting comparability of SEK -131 M (-8). Net financial items includes items affecting comparability of SEK -2 M (-).
- 2) Pertains to unallocated tax expenses.
- 3) Items not affecting cash.

Consolidated Income Statement

SEK M	Fourth quarter		Full year	
	2008	2007	2008	2007
Continuing operations				
Net turnover	3,335	4,518	14,280	15,402
Costs of goods sold	2,824	3,854	12,093	13,026
Gross profit	511	664	2,187	2,376
Other operating income	3	0	136	23
Selling expenses	437	481	1,801	1,766
Administrative expenses	98	117	448	442
Other operating expenses	96	19	131	22
Operating profit/loss ¹⁾	-117	47	-57	169
Financial income	80	16	133	97
Financial expenses	116	31	237	138
Shares in the earnings of associated companies	7	6	22	22
Net financial items	-29	-9	-82	-19
Profit/loss before tax	-146	38	-139	150
Tax	-6	-16	28	-44
Profit/loss from continuing operations	-152	22	-111	106
Profit/loss from discontinued operations, net after tax	-	-3	1	-6
Net profit/loss for the year	-152	19	-110	100
Earnings/loss per share, SEK	-7.40	0.95	-5.35	4.90
Number of shares at end of period, '000	20,459	20,459	20,459	20,459
Earnings/loss per share, SEK	-7.40	0.95	-5.35	4.75
Weighted average number of shares, '000	20,459	20,459	20,459	21,064
¹⁾ Amortisation/depreciation acc. to plan by asset class				
- Intellectual property	6	6	25	20
- Land and buildings	2	3	4	4
- Equipment, tools, fixtures and fittings	24	19	93	79
- Leased vehicles	46	44	184	180
Total	78	72	306	283

Operating profit/loss by business segment

SEK M	Fourth quarter		Full year	
	2008	2007	2008	2007
Cars	16	78	26	228
Parent Company	-14	-7	-49	-50
Other, eliminations	-119	-24	-34	-9
Operating profit/loss	-117	47	-57	169

Consolidated Balance Sheet

SEK M	31/12 2008	31/12 2007
Assets		
Non-current assets		
Intangible assets		
Intellectual property	115	133
Goodwill	89	124
	204	257
Property, plant and equipment		
Land and buildings	105	315
Construction in progress	4	15
Equipment, tools, fixtures and fittings	393	357
Leased vehicles ¹⁾	1,512	1,811
	2,014	2,498
Long-term investments		
Financial investments	266	248
Other long-term receivables ²⁾	93	32
Deferred tax assets	64	92
	423	372
Total non-current assets	2,641	3,127
Current assets		
Inventories, merchandise	1,750	2,529
Current receivables		
Interest-bearing receivables ²⁾	21	99
Other receivables	904	1,191
Cash and cash equivalents ²⁾	98	97
Total current assets	2,773	3,916
Total assets	5,414	7,043
Equity and liabilities		
Equity		
Share capital	215	215
Reserves	0	4
Retained earnings including net profit/loss for the year	1,014	1,288
Total equity	1,229	1,507
Non-current liabilities		
Convertible debenture ³⁾	87	-
Interest-bearing liabilities ³⁾	89	717
Other liabilities and provisions ⁴⁾	1,123	1,437
	1,299	2,154
Current liabilities		
Interest-bearing liabilities ³⁾	761	669
Other liabilities and provisions	2,125	2,713
	2,886	3,382
Total equity and liabilities	5,414	7,043
Assets		
¹⁾ Of which interest-bearing	224	233
²⁾ Interest-bearing	212	228
Liabilities		
³⁾ Interest-bearing	937	1,386
⁴⁾ Of which interest-bearing	319	297

Consolidated Cash Flow Statement

SEK M	Fourth quarter		Full year	
	2008	2007	2008	2007
OPERATIONS				
Operating activities				
Profit/loss before tax from continuing operations	-146	38	-139	150
Profit/loss before tax from discontinued operations	1	-4	2	-8
Depreciation/amortisation and impairment losses	112	84	343	295
Other items not affecting cash	-18	18	-125	18
Tax paid	51	6	-7	-33
Change in inventories	403	-75	852	-293
Change in operating receivables	36	-168	361	1
Change in operating liabilities	-217	-124	-904	-435
Cash flow from operating activities	222	-225	383	-305
Investing activities				
Acquisitions and disposals in non-current assets	-62	2	-49	64
Investments and disposals of financial assets	-8	-2	-34	3
Acquisition of subsidiary/operation, net	-	2	-236	-352
Disposal of subsidiary/operation, net	-	-	43	-
Disposal of discontinued operation, net	-	-	474	-
Cash flow from investing activities	-70	2	198	-285
Remaining after net investments	152	-223	581	-590
Financing activities				
Change in bank loans and other loans	-201	243	-491	802
Buy-back of own shares	-	-	-	-115
Dividend paid to Parent Company's shareholders	-	-	-164	-172
Cash flow from financing activities	-201	243	-655	515
Change in cash and cash equivalents, excl. translation differences	-49	20	-74	-75
Exchange difference in cash and cash equivalents	1	-2	1	4
Change in cash and cash equivalents	-48	18	-73	-71
Cash and cash equivalents at start of period	162	169	187	258
Cash and cash equivalents at end of period	114	187	114	187

Quarterly review

Quarter

Group	1/07	2/07	3/07	4/07	1/08	2/08	3/08	4/08
Net turnover, SEK M	3,309	3,854	3,721	4,518	3,798	4,015	3,132	3,335
Operating profit/loss, excluding items affecting comparability, SEK M	43	28	36	70	-11	14	-28	9
Operating margin, excluding items affecting comparability, %	1.3	0.7	1.0	1.6	-0.3	0.3	-0.9	0.3
Operating profit/loss, SEK M	41	48	33	47	-10	66	4	-117
Operating margin, %	1.2	1.2	0.9	1.1	-0.3	1.6	0.1	-3.5
Profit/loss before tax, SEK M	42	45	25	38	-27	49	-15	-146
Profit/loss from continuing operations, SEK M	32	33	19	22	-16	52	5	-152
Profit/loss from discontinued operations, net after tax, SEK M	-1	1	-3	-3	1	2	-2	-
Net profit/loss, SEK M	31	34	16	19	-15	54	3	-152
Rate of capital turnover, times ¹⁾	2.49	2.45	2.44	2.40	2.45	2.39	2.33	2.25
Return on capital employed, ¹⁾	8.0	9.3	9.3	7.8	5.6	5.9	5.0	-0.6
Return on equity, % ¹⁾	7.1	7.9	8.3	6.3	3.4	5.0	4.2	-8.0
Net debt/equity, times	0.07	0.44	0.66	0.81	0.69	0.71	0.69	0.67
Equity/assets ratio, %	31	24	22	21	23	21	23	23
Interest coverage ratio, % ¹⁾	5.7	5.4	4.5	3.7	1.9	1.9	1.4	-0.1
Data per share (SEK) ²⁾								
Net profit/loss	1.45 ³⁾	1.55 ³⁾	0.80 ⁴⁾	0.95	-0.75	2.65	0.15	-7.40
Equity	80 ³⁾	74 ³⁾	73	74	73	67	68	60

¹⁾ Rolling 12 months.

²⁾ Based on number of shares outstanding, 20,459,255.

³⁾ Based on number of shares outstanding at 31 March 2007 and 30 June 2007, 21,459,255.

⁴⁾ Based on weighted average number of shares outstanding during third quarter, 20,889,145.

Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2008	2007	2008	2007
Net turnover	11	11	40	30
Administrative expenses	25	18	89	80
Operating loss ¹⁾	-14	-7	-49	-50
Result from financial items				
Result from interests in Group companies	-417	172	22	203
Interest income from Group companies	27	25	114	80
Other interest income and similar line items	78	14	123	87
Interest expenses to Group companies	7	4	28	20
Interest expenses and similar line items	104	30	205	125
Profit/loss after financial items	-437	170	-23	175
Appropriations	10	-36	10	-36
Profit/loss before tax	-427	134	-13	139
Tax	-5	-30	-6	-29
Net profit/loss	-432	104	-19	110

¹⁾ Amortisation/depreciation acc. to plan by asset class				
- Intellectual property	2	1	5	2
- Equipment, tools, fixtures and fittings	0	0	1	1
Total	2	1	6	3

Balance Sheet for Parent Company

SEK M	31/12 2008	31/12 2007
Assets		
Non-current assets		
Intangible assets		
Intellectual property	24	18
	24	18
Property, plant and equipment		
Equipment, tools, fixtures and fittings	3	2
	3	2
Long-term investments		
Interests in Group companies	811	943
Other securities held as non-current assets	0	0
Long-term receivables	45	-
Deferred tax asset	13	16
	869	959
Total non-current assets	896	979
Current assets		
Current receivables		
Receivables from Group companies	983	2,116
Other receivables	32	9
Cash and bank balances	89	60
Total current assets	1,104	2,185
Total assets	2,000	3,164
Equity and liabilities		
Equity		
Restricted equity		
Share capital	215	215
Statutory reserve	47	47
	262	262
Non-restricted equity		
Retained earnings	700	776
Net profit/loss for the year	-19	110
	681	886
Total equity	943	1,148
Untaxed reserves	60	70
Provisions		
Provisions for pensions and similar obligations	14	15
	14	15
Non-current liabilities		
Convertible debenture	87	-
Liabilities to credit institutes	-	698
Liabilities to Group companies	-	20
Other liabilities	5	5
	92	723
Current liabilities		
Liabilities to credit institutes	549	589
Liabilities to Group companies	266	573
Other liabilities	76	46
	891	1,208
Total equity and liabilities	2,000	3,164