



4 August 2004

**Report for the second quarter and the first half of 2004****Second quarter (compared with "New" Bilia pro forma 2003)**

- Net turnover increased to SEK 3,413 M (2,947).
- Net profit increased to SEK 55 M (44) and earnings per share to SEK 2.25 (1.70).
- Operating profit improved by SEK 35 M to SEK 82 M.
- The acquisition of Eneqvist Bil AB was completed after approval by the Swedish Competition Authority.

**First six months (compared with "New" Bilia pro forma 2003)**

- Operating profit improved by SEK 46 M to SEK 151 M.
- Profit before tax increased to SEK 143 M (97).
- Earnings per share increased to SEK 4.05 (3.10).

In a comment on the quarterly result, Bilia's Managing Director Jan Pettersson says: "Order bookings for new cars increased during the second quarter at the same time as the Service Business was strengthened due to a higher workload and lower costs. Newly acquired Eneqvist Bil AB is an important component in our growth and will contribute in terms of both knowledge and earnings."

	Bilia Group Second quarter		"New" Bilia, pro forma Second quarter
	2004	2003	2003
Net turnover, SEK M	3,413	5,148	2,947
Operating profit, excl. items affecting comparability, SEK M <sup>1)</sup>	88	144	60
Operating margin, excl. items affecting profitability, %	2.6	2.8	2.0
Operating profit, SEK M	82	130	47
Operating margin, %	2.4	2.5	1.6
Profit before tax, excl. items affecting comparability, SEK M <sup>1)</sup>	84	121	58
Profit before tax, SEK M	78	107	45
Net profit, SEK M	55	82	44
Earnings per share, SEK <sup>2)</sup>	2.25	3.20	1.70

<sup>1)</sup> Items affecting comparability are shown on page 4.

<sup>2)</sup> The number of shares used in the calculation is shown in the table on page 10.

## Notable events during the second quarter

### *Acquisitions and disposals*

#### **Eneqvist Bil AB**

The acquisition of Eneqvist Bil AB, a Volvo and Renault dealer in Stockholm, was completed during the month of June after approval by the Swedish competition Authority. Eneqvist Bil AB's half-year earnings and balance sheet are included in the Bilia Group's half-year accounts. After acquisition costs, goodwill amortisation and interest expense, the acquisition makes a positive contribution of about SEK 4.5 M in profit before tax.

#### **Sale of property in Huddinge**

During the month of July, Bilia sold an externally rented truck facility in Huddinge. The capital gain from the sale of the shares amounted to SEK 18 M after tax. The gain will be included in Bilia's accounts for the third quarter of 2004.

### *Miscellaneous*

#### **Buy-back of shares**

During the period 28 April to 3 June, Bilia acquired 2,569,906 shares representing 10 per cent of the number of outstanding shares. The acquisition value per share amounted to SEK 90.98, in total SEK 234 M.

#### **Special offer to shareholders**

Shareholders with a holding of less than 200 shares received an offer to either sell their entire holding or purchase shares so that their holding would amount to 200 shares, free of commission. 11,500 shareholders chose to take advantage of the offer, of whom 7,700 shareholders sold a total of approximately 220,000 shares and 3,800 shareholders purchased more than 340,000 shares.

## Group review

Comments and comparative figures for the second quarter and the first six months of

2003 pertain to the "New" Bilia. The "New" Bilia has for 2003 been calculated pro forma, excluding the operations (KFAB) that were distributed to Bilia's shareholders in July 2003.

### **Second quarter 2004**

Demand in Sweden, which had declined since the end of 2003, turned up during the quarter and increased in terms of both cars and service. Demand in Norway and Denmark improved further during the quarter.

**Net turnover** during the quarter amounted to SEK 3,413 M (2,947). Adjusted for exchange rate changes and comparable operations, net turnover increased by about SEK 210 M or 7 per cent. The increase in turnover is mainly attributable to increased sales of new and used cars in Norway and service in Sweden.

**Operating profit** amounted to SEK 82 M (47). Items affecting comparability reduced the profit by SEK 6 M (-13). The earnings improvement is mainly attributable to increased sales of cars in Norway, an improved Service Business in Sweden and lower costs in the Parent Company. The result from customer financing amounted to SEK 25 M (21).

**Items affecting comparability** (see table on page 4) amounted to a net of minus SEK 6 M during the quarter (-13).

**Net financial items** amounted to an expense of SEK 4 M (expense: 2). The interest expense for the acquisition of Eneqvist Bil AB reduced net financial items by nearly SEK 2 M.

**Net profit** amounted to SEK 55 M (44) and earnings per share to SEK 2.25 (1.70). Exchange rate changes only affected the profit marginally.

**Total assets** increased during the quarter by SEK 115 M to SEK 3,671 M. Instalment receivables equivalent to a value of about SEK 320 M were transferred to Volvofinans during the quarter. The sale took place at reported values and does not affect Bilia's future earnings potential from customer financing. The acquisition of Eneqvist Bil AB has increased total assets by about SEK 275 M.

**Shareholders' equity** decreased during the quarter by SEK 301 M, amounting to SEK 1,078 M at the end of the quarter. Shareholders' equity was charged with dividend and buy-back of own shares amounting to a total of SEK 350 M during the quarter.

**The equity/assets ratio** decreased during the quarter to 29 per cent.

**Investments and disposals**, excluding Eneqvist Bil AB, amounted to SEK 54 M (30). Replacement investments represented SEK 14 M (12), expansion investments SEK 7 M (6), environmental investments SEK 1 M (1) and investments in new construction and additions to properties SEK 28 M (-). Net investments in lease vehicles and finance leases amounted to SEK 4 M (11).

**The number of employees** amounted to 3,173. Eneqvist Bil AB is included with 129 persons. For comparable operations, the number of employees declined, compared with the same period last year, by 5 per cent or 155 persons.

**Cash flow** from operating activities amounted to SEK 43 M (120) during the quarter. An increase in tied-up capital, mainly in trade debtors and used cars, has had a negative impact on cash flow during the quarter compared with last year.

#### **First six months 2004**

**Net turnover** amounted to SEK 6,093 M (5,774). Adjusted for exchange rate changes and comparable units, net turnover increased by about SEK 133 M or 2 per cent. The turnover increase is attributable to increased sales of new and used cars in Norway.

**Operating profit** amounted to SEK 151 M (105). Items affecting comparability reduced the profit by SEK 7 M (-16). The earnings improvement is mainly attributable to an improved Car Business in Norway and lower costs in the Swedish operation and in the Parent Company. The result from customer financing amounted to SEK 47 M (43).

**Net financial items** amounted to an expense of SEK 8 M (expense: 8). Net debt at mid-year was SEK 402 M (154). The increase is mainly attributable to the buy-back of own shares and the acquisition of Eneqvist Bil AB.

**Net profit** increased by SEK 22 M to SEK 102 M. Earnings per share for the quarter amounted to SEK 4.05 (3.10). Last year's reported net profit, including the distributed operation KFAB, amounted to SEK 140 M or SEK 5.45 per share.

**Cash flow** from operating activities amounted to SEK 26 M (161).

**Investments and disposals**, excluding Eneqvist Bil AB, amounted to SEK 95 M (66). Replacement investments represented SEK 24 M (29), expansion investments SEK 13 M (13), environmental investments SEK 1 M (1) and investments in new construction and additions to properties SEK 36 M (-). Net investments in lease vehicles and finance leases amounted to SEK 21 M (23).

**Changes in equity**

SEK M	Jan. - June		Full year
	2004	2003	2003
Opening balance	1,326	1,641	1,641
Dividend to shareholders	-116	-109	-109
Dividend KFAB	-	-	-375
Buy-back of shares <sup>1)</sup>	-234	-	-
Adjustment pensions IAS	4	-	-
Translation difference, etc.	-4	-53	-55
Net profit	102	140	224
Closing balance	1,078	1,619	1,326

<sup>1)</sup> At the end of the second quarter, the number of own shares amounted to 2,569,906 (0).  
The weighted average number of own shares during the first six months amounted to 538,285 (0).

**Items affecting comparability**

SEK M	Bilia Group		"New" Bilia, pro forma	Bilia Group		"New" Bilia, pro forma		
	Second quarter		Second quarter	First six months		First six months	July 03 - June 04	Full year
	2004	2003	2003	2004	2003	2003		2003
<b>Operating profit excl. items affecting comparability</b>	<b>88</b>	144	60	<b>158</b>	252	121	295	258
Items affecting comparability								
- Profit/loss from sale of property	-	-6	-5	-	-6	-5	11	6
- Restructuring costs and other	-2	-1	-1	-2	-1	-1	-16	-15
- Disputes/KFAB	-4	-7	-7	-5	-10	-10	-9	-14
<b>Operating profit</b>	<b>82</b>	130	47	<b>151</b>	235	105	281	235
<b>Profit before tax excl. items affecting comparability</b>	<b>84</b>	121	58	<b>150</b>	208	113	277	240
Items affecting comparability								
- Profit/loss from sale of property	-	-6	-5	-	-6	-5	11	6
- Restructuring costs and other	-2	-1	-1	-2	-1	-1	-16	-15
- Disputes/KFAB	-4	-7	-7	-5	-10	-10	-9	-14
<b>Profit before tax</b>	<b>78</b>	107	45	<b>143</b>	191	97	263	217

	Bilia Group		"New" Bilia, pro forma		
	First six months		First six months	July 03- June 04	Full year
	2004	2003	2003		2003
Net turnover, SEK M	6,093	9,863	5,774	11,443	11,124
Operating profit, excl. items affecting comparability, SEK <sup>1)</sup>	158	252	121	295	258
Operating margin excl. items affecting comparability, %	2.6	2.6	2.1	2.6	2.3
Operating profit, SEK M	151	235	105	281	235
Operating margin, %	2.5	2.4	1.8	2.5	2.1
Profit before tax, excl. items affecting comparability, SEK M <sup>1)</sup>	150	208	113	277	240
Profit before tax, SEK M	143	191	97	263	217
Net profit, SEK M	102	140	80	186	164
Earnings per share, SEK <sup>2)</sup>	4.05	5.45	3.10	7.30	6.35

<sup>1)</sup> Items affecting comparability are shown in the table above.

<sup>2)</sup> The number of shares used in the calculation is shown in the table on page 10.

## Cars

No. of new cars	Deliveries						Order backlog	
	Second quarter		First six months		July 03	Full year	June 30	
	2004	2003	2004	2003	- June 04	2003	2004	2003
Sweden	<b>6,369</b>	5,577	<b>10,198</b>	10,226	18,578	18,606	<b>2,616</b>	2,765
Norway	<b>1,137</b>	849	<b>1,885</b>	1,630	3,644	3,389	<b>622</b>	294
Denmark	<b>401</b>	418	<b>633</b>	749	1,405	1,521	<b>289</b>	126
Total	<b>7,907</b>	6,844	<b>12,716</b>	12,605	23,627	23,516	<b>3,527</b>	3,185

SEK M	Net turnover						Operating profit/loss, operating margin							
	Second quarter		First six months		July 03	Full year	Second quarter				First six months			
	2004	2003	2004	2003	- June 04	2003	2004	%	2003	%	2004	2003	July 03	Full year
Sweden	<b>2,628</b>	2,294	<b>4,651</b>	4,447	8,639	8,435	<b>72</b>	<b>2.7</b>	56	2.4	<b>122</b>	108	231	217
Norway	<b>552</b>	439	<b>1,010</b>	903	1,902	1,795	<b>13</b>	<b>2.4</b>	4	0.9	<b>27</b>	7	45	25
Denmark	<b>187</b>	170	<b>345</b>	338	713	706	<b>-1</b>	<b>-0.5</b>	-2	-1.2	<b>0</b>	-1	1	0
Total	<b>3,367</b>	2,903	<b>6,006</b>	5,688	11,254	10,936	<b>84</b>	<b>2.5</b>	58	2.0	<b>149</b>	114	277	242

- **Better Service Business in Sweden**
- **Continued strong earnings in Norway**

Demand for cars and service in Sweden increased in the second quarter. Demand for cars and service in Norway remained at a high level. Demand for cars in particular increased in Denmark as well during the quarter.

Net turnover during the quarter amounted to SEK 3,367 M (2,903). Adjusted for exchange rate changes and comparable units, turnover increased by about 7 per cent or SEK 203 M. The percentage increase in turnover is distributed fairly evenly between cars and service.

Operating profit for Cars improved by 45 per cent during the quarter, amounting to SEK 84 M. Both the Car and Service Businesses report better results and margins. Increased turnover and lower relative costs have contributed to the earnings improvement. Cost-cutting measures carried out last year had a positive effect during the second quarter as well. The number of employees has declined by 125 persons compared with last year, not counting the acquisition of Eneqvist Bil AB.

### *Sweden*

Sweden showed an operating profit for the second quarter that was SEK 16 M better than last year. The acquisition of Eneqvist Bil AB has had a positive effect of nearly SEK 4 M on operating profit. The Service Business improved significantly during the

second quarter, mainly due to higher demand and lower costs. The Car Business also shows improvement as a result of more delivered cars and lower costs.

The facility in Bredden in northern Stockholm was closed in July and the operation was moved to the main facility in Haga Norra. At the main facility in southern Stockholm, Segeltorp, an extensive construction project was commenced for the purpose of upgrading and streamlining the facility.

### *Norway*

Operating profit in Bilia's Norwegian operation improved during the second quarter by SEK 9 M to SEK 13 M. Adjusted for exchange rate changes, turnover from sales of cars increased by 36 per cent and from service by 14 per cent. The earnings improvement is mainly attributable to increased turnover, higher margins in sales of cars, and a generally lower cost level.

### *Denmark*

The Danish operation reported an operating loss of SEK 1 M (loss: 2) for the second quarter. Demand in Denmark improved during the second quarter after a long period of decline. Renault has lost market share in Denmark during the year. However, Bilia's order bookings increased during the second quarter and order backlog at the end of the period were twice as high compared with the corresponding period last year. The Service Business reported a result on a level with last year.

## Cars - divided into Service and Car Business

SEK M	Net turnover <sup>2)</sup>						Contribution <sup>3)</sup>					
	Second quarter		First six months		July 03	Full year	Second quarter		First six months		July 03	Full year
	2004	2003	2004	2003	- June 04	2003	2004	2003	2004	2003	- June 04	2003
Service Business <sup>1)</sup>	1,027	886	1,927	1,800	3,662	3,535	99	71	194	161	348	315
- margin, %							9.7	8.0	10.1	8.9	9.5	8.9
Car Business <sup>1)</sup>	2,457	2,101	4,300	4,084	8,004	7,788	51	31	77	45	130	98
- margin, %							2.1	1.5	1.8	1.1	1.6	1.3

<sup>1)</sup> Service includes workshop services, spare parts, accessories and petrol in the car operation. Micro's turnover and contribution are not included. The Car Business includes sales of new and used cars and customer financing.

<sup>2)</sup> Net turnover does not include eliminations for internal sales.

<sup>3)</sup> The contribution is charged with calculated costs. Joint costs for administration within each product area are not charged to the contribution.

- **Service Business – significant improvement**
- **Car Business – increased deliveries**

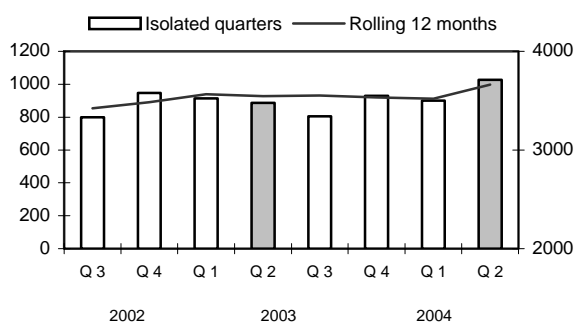
The Service Business's sales increased during the second quarter by about 6 per cent, excluding exchange rate effects and the acquisition of Eneqvist Bil AB. Sweden and Norway increased by 6 and 14 per cent, respectively, while Denmark declined by 3 per cent. Contribution and margin developed positively during the quarter, mainly due to increased turnover and cost-cutting measures adopted during the current year and at the end of last year.

The contribution increased in the Swedish car operation by all of SEK 28 M to SEK 76 M and the contribution margin from 6.7 to 8.9 per cent. Increased demand, lower costs and the acquisition of Eneqvist Bil AB contributed to the earnings improvement.

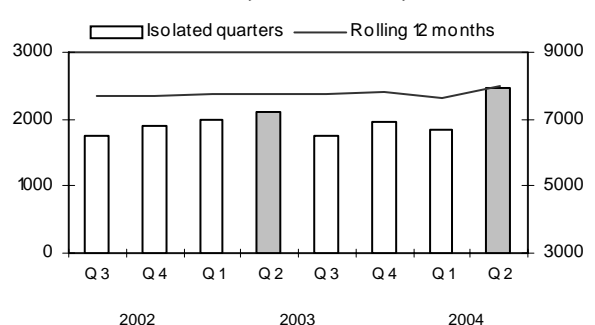
The contributions in Norway and Denmark were stable and at a satisfactory level.

The Car Business's deliveries of new cars turned around in the second quarter and increased by 7 per cent, excluding the Eneqvist acquisition, after a long period of decline. Adjusted for exchange rate changes and the acquisition of Eneqvist Bil AB, car turnover increased by about 8 per cent. The average price per delivered car has increased, mainly due to the fact that Volvo's share of Bilias total deliveries has increased, while Renault's share has decreased. The contribution improved during the quarter by SEK 20 M to SEK 51 M and the contribution margin by 0.6 percentage point to 2.1 per cent. The increase in turnover and lower relative costs contributed to the earnings improvement. Order bookings were 4 per cent higher compared with the same period last year, excluding Eneqvist Bil AB. The order backlog declined during the quarter due to the fact that deliveries during the quarter exceeded order bookings. Stocks of both new and used cars are satisfactory.

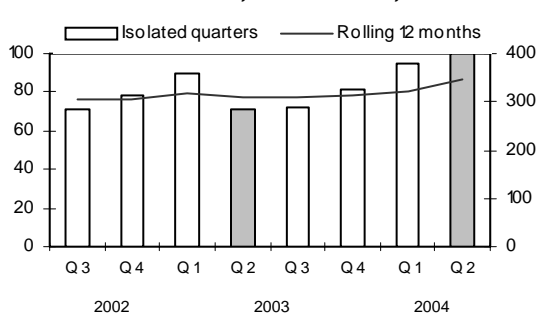
**Service Business, Net Turnover, SEK M**



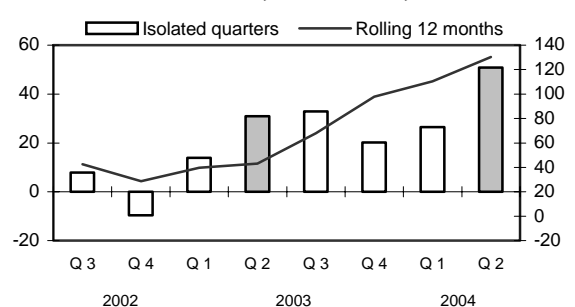
**Car Business, Net Turnover, SEK M**



**Service Business, Contribution, SEK M**



**Car Business, Contribution, SEK M**



## Micro

SEK M	Net turnover						Operating profit/loss, operating margin							
	Second quarter		First six months		July 03	Full year	Second quarter				First six months		July 03	Full year
	2004	2003	2004	2003	- June 04	2003	2004	%	2003	%	2004	2003	- June 04	2003
Total	<b>40</b>	42	<b>74</b>	80	155	161	<b>-6</b>	<b>-16.5</b>	-3	-8.7	<b>-16</b>	-9	-23	-16

- **Lower turnover and increased loss**

Demand for durable goods in Sweden was at a good level overall during the second quarter and increased at the same rate as during the first quarter. There were relatively great variations between different products and retail chains.

The revamping of Micro's range to a clearly car-oriented concept has not had the expected response in the market. The number of visitors to shops increased during the second quarter, in part as an effect of the opening of the shop in Trollhättan during the first quarter. The proportion of

purchasing customers declined, however, resulting in lower turnover. The earnings decline is mainly attributable to lower turnover, lower margins and slightly higher costs during the quarter.

Net turnover during the quarter amounted to SEK 40 M (42) and the operating loss was SEK 6 M (loss: -3).

The managing director of Micro AB will leave his position at the end of August 2004 for a position in a company outside the Group.

## Bilia Properties

SEK M	Net turnover						Operating profit/loss, operating margin							
	Second quarter		First six months		July 03	Full year	Second quarter				First six months		July 03	Full year
	2004	2003	2004	2003	- June 04	2003	2004	%	2003	%	2004	2003	- June 04	2003
Sweden	<b>38</b>	40	<b>76</b>	79	153	156	<b>21</b>	<b>55.6</b>	24	60.7	<b>43</b>	46	86	89
Norway	<b>11</b>	12	<b>23</b>	24	46	47	<b>3</b>	<b>24.3</b>	4	27.8	<b>6</b>	7	12	13
Denmark	<b>4</b>	3	<b>8</b>	7	16	15	<b>2</b>	<b>41.0</b>	2	55.6	<b>4</b>	4	6	6
Other	<b>1</b>	0	<b>1</b>	0	2	1	<b>0</b>	-	-1	-	<b>0</b>	-1	-1	-2
Total	<b>54</b>	55	<b>108</b>	110	217	219	<b>26</b>	<b>48.1</b>	29	52.7	<b>53</b>	56	103	106

2003 pertains to Bilia Properties, pro forma.

Net turnover during the year includes rental income from unowned properties in Sweden of SEK 5 M (2) and in Norway of SEK 14 M (14).

- **Sale of property in Huddinge**

Net turnover during the quarter is broken down into SEK 47 M (51) in rental income from Group companies and SEK 7 M (4) in external rental income. Operating profit for the second quarter amounted to SEK 26 M (29). Depreciation charged to earnings

amounted to SEK 8 M (9). Yield during the last 12 months amounted to 20 per cent.

An externally rented truck facility in Huddinge was sold in July. The capital gain from the sale of the shares amounted to SEK 18 M after tax. The gain will be reported during the third quarter.

## Parent Company

Bilia AB does not conduct any business operations of its own. The company is responsible for the Group's management, strategic planning, financing, public relations and business development.

The Parent Company's expenses declined by SEK 12 M during the quarter, amounting to SEK 19 M. Costs of SEK 4 M (10) for disputes and the KFAB deal are included.

### Extraordinary General Meeting

The Board of Directors is convening an Extraordinary General Meeting of the shareholders on 25 August 2004 at 2 p.m. at Bilia's main facility in Sisjön, Göteborg, for consideration of proposals which, taken together, would entail the transfer of SEK 377 M of restricted equity to non-restricted equity.

Bilia AB's and the Group's restricted equity is disproportionately large in relation to the current resource requirement for the car operation with incident properties and financing portfolio.

Transferring restricted equity to non-restricted equity creates greater freedom for the Board of Directors and the shareholders in the disposition of Bilia's total equity.

## Events reported earlier during the year

### Bilia's guarantee to KFAB

KFAB's guarantee claim on Bilia for just over SEK 80 M, which has been contested by Bilia, is currently being considered by an arbitration tribunal appointed by the Stockholm Chamber of Commerce's Arbitration Institute. Their judgement is expected to be announced in January of 2005. Bilia has not

made provision for any costs due to this claim.

### Price collusion

The Swedish Competition Authority has taken out a summons application against Bilia Personbilar AB and seven other Volvo dealers in Skåne. The Authority is demanding that Bilia pay a restraint-of-competition fine of SEK 121.7 M. Bilia has contested the Authority's demand. Bilia has not made provision for any costs due to this claim. A judgement is expected during 2005 at the earliest.

### Additional assessment in Germany

The tax authority in Hamburg, Germany, has disallowed deduction of a portion of the interest expenses during the period 1994-99 in Bilia's former subsidiary Bohus Verwaltung BV. The claim from the tax authority amounts to approximately SEK 19 M. Bilia has appealed the decision of the tax authority and has not made provision in the half-year report for any costs.

## Miscellaneous

### Accounting principles

All new recommendations from the Swedish Financial Accounting Standards Council are applied. The application of RR 29, Remuneration to employees, has entailed a lower provision to pensions, which has in turn increased equity by SEK 4 M.

### Audit

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

### Next report

The report for the third quarter of 2004 will be published on 28 October 2004.

Göteborg, 4 August 2004

Jan Pettersson  
Managing Director and CEO

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## INFORMATION ON LINES OF BUSINESS

### First six months

SEK M	Cars		Micro		Properties		Other <sup>1)</sup>		KFAB, pro forma		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<b>INCOME</b>														
External sales	<b>6,006</b>	5,686	<b>74</b>	80	<b>14</b>	9	<b>0</b>	0	-	4,088				
Internal sales	<b>0</b>	2	<b>0</b>	0	<b>94</b>	101	-	-	-	1	<b>-95</b>	-104		
Total income	<b>6,006</b>	5,688	<b>74</b>	80	<b>108</b>	110	<b>0</b>	0	-	4,089	<b>-95</b>	-104	<b>6,093</b>	9,863
<b>PROFIT/LOSS</b>														
Operating profit/loss per line of business	<b>149</b>	114	<b>-16</b>	-9	<b>53</b>	56	<b>-4</b>	-3	-	130	<b>1</b>	1	<b>183</b>	289
Unallocated expenses <sup>2)</sup>													<b>-32</b>	-54
Operating profit													<b>151</b>	235
<b>OTHER DISCLOSURES</b>														
Assets, non-interest-bearing	<b>2,355</b>	2,106	<b>64</b>	63	<b>757</b>	786	<b>10</b>	15	-	2,931			<b>3,186</b>	5,901
Assets, interest-bearing	<b>335</b>	487	<b>2</b>	4	<b>5</b>	5	<b>296</b>	304	-	328			<b>638</b>	1,128
Unallocated assets, non-interest-bearing <sup>2)</sup>													<b>55</b>	75
Unallocated assets, interest-bearing <sup>2)</sup>													<b>588</b>	2,090
Eliminations											<b>-796</b>	-2,073	<b>-796</b>	-2,073
Total assets													<b>3,671</b>	7,121
Liabilities, non-interest-bearing	<b>1,230</b>	1,116	<b>31</b>	34	<b>162</b>	182	<b>10</b>	8	-	1,148			<b>1,433</b>	2,488
Liabilities, interest-bearing	<b>947</b>	962	<b>28</b>	3	<b>195</b>	190	<b>0</b>	0	-	1,736			<b>1,170</b>	2,891
Unallocated liabilities, non-interest-bearing <sup>2)</sup>													<b>89</b>	77
Unallocated liabilities, interest-bearing <sup>2)</sup>													<b>601</b>	1,988
Eliminations											<b>378</b>	-323	<b>378</b>	-323
Total liabilities													<b>3,671</b>	7,121
Investments, net	<b>40</b>	27	<b>5</b>	5	<b>42</b>	-125	-	-	-	124				
Depreciation	<b>68</b>	54	<b>2</b>	1	<b>16</b>	17	<b>0</b>	0	-	100				
Unallocated depreciation <sup>2)</sup>													<b>1</b>	2
Total depreciation													<b>87</b>	174
Expenses beyond depreciation not matched by disbursements <sup>3)</sup>	<b>6</b>	9	<b>1</b>	0	<b>1</b>	1	-	0	-	35				

## INFORMATION ON GEOGRAPHICAL AREAS

### First six months

SEK M	Sales		Assets		Investments	
	2004	2003	2004	2003	2004	2003
Sweden	<b>4,734</b>	4,539	<b>2,547</b>	2,651	<b>67</b>	-95
Norway	<b>1,033</b>	905	<b>628</b>	489	<b>18</b>	1
Denmark	<b>347</b>	340	<b>320</b>	287	<b>2</b>	1
Other <sup>4)</sup>	<b>1</b>	0	<b>978</b>	2,515	<b>1</b>	3
KFAB, pro forma	-	4,089	-	3,259	-	124
Eliminations	<b>-22</b>	-10	<b>-802</b>	-2,080	-	-
Total Bilvia Group	<b>6,093</b>	9,863	<b>3,671</b>	7,121	<b>88</b>	34

In 2003, Properties pertains to Bilvia Properties, pro forma.

- 1) Other companies and items affecting comparability. Operating loss includes items affecting comparability of SEK -1 M (-1).
- 2) Pertains to the Parent Company.
- 3) Items not affecting cash.
- 4) Includes the Parent Company.

## Consolidated Profit and Loss Accounts

SEK M	Bilia Group		"New" Bilia, pro forma	Bilia Group		"New" Bilia, pro forma		
	Second quarter		2003	First six months		First six months	July 03	Full year
	2004	2003		2004	2003	2003	- June 04	2003
<b>Net turnover</b>	<b>3,413</b>	5,148	2,947	<b>6,093</b>	9,863	5,774	11,443	11,124
Costs of goods sold	<b>2,854</b>	4,268	2,450	<b>5,050</b>	8,138	4,781	9,467	9,198
<b>Gross profit</b>	<b>559</b>	880	497	<b>1,043</b>	1,725	993	1,976	1,926
Selling expenses	<b>362</b>	557	333	<b>680</b>	1,120	669	1,289	1,278
Administrative expenses	<b>113</b>	183	110	<b>211</b>	362	213	405	407
Other operating income	<b>0</b>	5	1	<b>2</b>	7	2	16	16
Other operating expenses	<b>2</b>	15	8	<b>3</b>	15	8	17	22
<b>Operating profit <sup>1)</sup></b>	<b>82</b>	130	47	<b>151</b>	235	105	281	235
Result from other shares and participations	<b>2</b>	3	2	<b>2</b>	3	2	2	2
Interest income and similar profit/loss items	<b>4</b>	9	2	<b>6</b>	15	2	14	10
Interest expense and similar profit/loss items	<b>10</b>	35	6	<b>16</b>	62	12	34	30
<b>Profit before tax</b>	<b>78</b>	107	45	<b>143</b>	191	97	263	217
Tax	<b>-23</b>	-24	-1	<b>-41</b>	-50	-17	-77	-53
Minority share in profit for the period	<b>-</b>	-1	-	<b>-</b>	-1	-	-	-
<b>Net profit</b>	<b>55</b>	82	44	<b>102</b>	140	80	186	164
Earnings per share, SEK	<b>2.60</b>	3.20	1.70	<b>4.40</b>	5.45	3.10	7.65	6.35
Number of shares at end of period, '000	<b>23,129</b>	25,699	25,699	<b>23,129</b>	25,699	25,699	23,129	25,699
Earnings per share, SEK	<b>2.25</b>	3.20	1.70	<b>4.05</b>	5.45	3.10	7.30	6.35
Weighted average number of shares, '000	<b>24,622</b>	25,699	25,699	<b>25,161</b>	25,699	25,699	25,431	25,699
<sup>1)</sup> Amortisation/depreciation acc. to plan by asset class								
- Software	<b>1</b>	2	0	<b>1</b>	3	1	7	7
- Goodwill	<b>4</b>	7	0	<b>4</b>	13	0	4	0
- Land and buildings	<b>8</b>	13	9	<b>16</b>	25	17	32	33
- Equipment, tools, fixtures and fittings	<b>16</b>	31	16	<b>31</b>	63	32	57	58
- Lease vehicles	<b>23</b>	38	12	<b>35</b>	70	24	64	53
Total	<b>52</b>	91	37	<b>87</b>	174	74	164	151

## Consolidated Balance Sheets

SEK M	Bilia Group			"New" Bilia, pro forma
	30 June 04	31 Dec. 03	30 June 03	30 June 03
<b>Assets</b>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Software	21	20	31	21
Goodwill	70	1	150	1
	91	21	181	22
<b>Tangible assets</b>				
Land and buildings	680	680	1,241	738
Construction in progress	48	18	13	10
Equipment, tools, fixtures and fittings	245	237	473	233
Lease vehicles <sup>1)</sup>	336	235	520	219
	1,309	1,170	2,247	1,200
<b>Financial assets</b>				
Other securities held as fixed assets	14	7	12	6
Deferred taxes recoverable	31	31	65	40
Other long-term receivables <sup>1)</sup>	78	301	327	292
	123	339	404	338
<b>Total fixed assets</b>	1,523	1,530	2,832	1,560
<b>Current assets</b>				
Stocks, goods for resale	1,360	1,248	2,144	1,211
<b>Current receivables</b>				
Interest-bearing receivables <sup>1)</sup>	100	158	231	166
Other receivables	607	409	1,540	629
	707	567	1,771	795
Cash and bank balances <sup>1)</sup>	81	96	374	296
<b>Total current assets</b>	2,148	1,911	4,289	2,302
<b>Total assets</b>	3,671	3,441	7,121	3,862
<b>Shareholders' equity and liabilities</b>				
<b>Restricted equity</b>				
Share capital	514	514	514	514
Restricted reserves	344	356	522	483
	858	870	1,036	997
<b>Non-restricted equity</b>				
Non-restricted reserves / retained earnings	118	232	443	167
Net profit	102	224	140	80
	220	456	583	247
<b>Total shareholders' equity</b>	1,078	1,326	1,619	1,244
<b>Minority share in shareholders' equity</b>	-	-	2	-
<b>Provisions <sup>2)</sup></b>	473	453	665	492
<b>Long-term liabilities</b>				
Liabilities to credit institutions <sup>3)</sup>	597	348	1,993	705
Other liabilities <sup>3)</sup>	19	5	7	5
	616	353	2,000	710
<b>Short-term liabilities</b>				
Liabilities to credit institutions <sup>3)</sup>	198	176	635	255
Other liabilities	1,306	1,133	2,200	1,161
	1,504	1,309	2,835	1,416
<b>Total shareholders' equity and liabilities</b>	3,671	3,441	7,121	3,862
Assets				
<sup>1)</sup> Interest-bearing	595	790	1,452	973
Liabilities				
<sup>2)</sup> Of which interest-bearing	183	177	228	162
<sup>3)</sup> Interest-bearing	814	529	2,635	965

## Consolidated Cash Flow Statements

SEK M	Bilia Group		"New" Bilia, pro forma	Bilia Group		"New" Bilia, pro forma		
	Second quarter			First six months		First six months	July 03	Full year
	2004	2003	2003	2004	2003	2003	- June 04	2003
<b>OPERATIONS</b>								
<b>Operating activities</b>								
Operating profit	82	130	47	151	235	105	281	235
Financial items	-4	-23	-2	-8	-44	-8	-18	-18
Depreciation	52	91	37	87	174	74	164	151
Other items not affecting cash	8	18	18	-2	30	24	-27	-1
Tax paid	-23	-15	-12	-37	-37	-20	-51	-34
Change in operating receivables	-79	-165	-84	-153	-83	-92	25	86
Change in stocks	-15	293	115	-64	180	159	-112	111
Change in operating liabilities	22	-86	1	52	-317	-81	71	-62
<b>Cash flow from operating activities</b>	<b>43</b>	<b>243</b>	<b>120</b>	<b>26</b>	<b>138</b>	<b>161</b>	<b>333</b>	<b>468</b>
<b>Investing activities</b>								
Investments and disposals in fixed assets	-54	-142	-30	-95	-233	-66	-188	-159
Interest-bearing receivables	305	0	1	336	-10	-9	328	-17
Acquisitions and disposals	-131	-	-	-131	-	-	-75	56
<b>Cash flow from investing activities</b>	<b>120</b>	<b>-142</b>	<b>-29</b>	<b>110</b>	<b>-243</b>	<b>-75</b>	<b>65</b>	<b>-120</b>
<b>Remaining after net investments</b>	<b>163</b>	<b>101</b>	<b>91</b>	<b>136</b>	<b>-105</b>	<b>86</b>	<b>398</b>	<b>348</b>
<b>Financing activities</b>								
Change in own bank loans and other loans	227	190	202	240	265	154	-218	-304
Dividend to shareholders and buy-back of own shares	-349	-109	-109	-349	-109	-109	-349	-109
<b>Cash flow from financing activities</b>	<b>-122</b>	<b>81</b>	<b>93</b>	<b>-109</b>	<b>156</b>	<b>45</b>	<b>-567</b>	<b>-413</b>
<b>Change in liquid assets, excl. translation differences</b>	<b>41</b>	<b>182</b>	<b>184</b>	<b>27</b>	<b>51</b>	<b>131</b>	<b>-169</b>	<b>-65</b>
Exchange rate difference in liquid assets	2	-3	-2	2	-12	-2	-10	-14
<b>Change in liquid assets</b>	<b>43</b>	<b>179</b>	<b>182</b>	<b>29</b>	<b>39</b>	<b>129</b>	<b>-179</b>	<b>-79</b>
Liquid assets at beginning of year	122	431	201	122	431	201	122	201
Liquid assets at end of period	165	610	383	151	470	330	-57	122

## Quarterly review

	Quarter							
	3/02	4/02	1/03	2/03	3/03	4/03	1/04	2/04
Net turnover, SEK M	4,071	5,079	4,715	5,148	2,534	2,816	2,680	<b>3,413</b>
Operating profit, excluding items affecting comparability, SEK M	94	108	108	144	75	62	70	<b>88</b>
Operating margin, excluding items affecting comparability, %	2.3	2.1	2.3	2.8	2.9	2.2	2.6	<b>2.6</b>
Operating profit, SEK M	94	90	105	130	73	57	69	<b>82</b>
Operating margin, %	2.3	1.8	2.2	2.5	2.9	2.0	2.6	<b>2.4</b>
Profit before tax, SEK M	74	73	84	107	67	53	65	<b>78</b>
Net profit, SEK M	47	43	58	82	48	36	47	<b>55</b>
Rate of capital turnover, times <sup>1)</sup>	2.76	2.73	2.79	2.75	2.77	2.67	2.66	<b>2.68</b>
Return on capital employed, % <sup>1)</sup>	11.8	11.2	12.0	11.6	12.0	12.0	12.3	<b>12.4</b>
Return on shareholders' equity, % <sup>1)</sup>	13.9	11.6	14.0	14.3	14.8	15.1	14.6	<b>13.8</b>
Net debt / Shareholders' equity, times	0.80	0.77	0.87	0.87	-0.08	-0.06	-0.03	<b>0.37</b>
Equity/assets ratio, %	24	23	24	23	36	39	39	<b>29</b>
<b>Data per share (SEK) <sup>2)</sup></b>								
Net profit	1.85	1.65	2.25	3.20	1.85	1.40	1.80	<b>2.25</b> <sup>3)</sup>
Shareholders' equity	61	64	65	63	50	52	54	<b>47</b> <sup>4)</sup>

<sup>1)</sup> Rolling 12 months.

<sup>2)</sup> Based on number of shares outstanding, 25,699,061.

<sup>3)</sup> Based on weighted average number of shares outstanding during second quarter, 24,622,491.

<sup>4)</sup> Based on number of shares outstanding at 30 June 2004, 23,129,155.