



2 August 2006

## Report for the second quarter and the first half of 2006

### Second quarter

- Operating profit excluding items affecting profitability amounted to SEK 29 M (75).
- Net profit amounted to SEK 16 M (63) and earnings per share to SEK 0.70 (2.75).
- Equity per share increased and amounted to SEK 76.75 (50.60).

### First six months

- Net turnover amounted to SEK 7,079 M (5,839).
- Net profit amounted to SEK 26 M (71) and earnings per share to SEK 1.15 (3.10).

In a comment on the quarterly results, Bilia's Managing Director Jan Pettersson says:

“Earnings were not satisfactory. The discrepancy compared with last year is attributable to the month of April. Earnings for May and June were at the same level as last year. Earnings in the Service Business declined due to price adjustments and fewer working days. However, margin and earnings in the Car Business were strengthened compared with the first quarter, although they were still much lower than last year.”

Group	Second quarter		First six months		July 05 - June 06	Full year 2005
	2006	2005	2006	2005		
Net turnover, SEK M	<b>3,883</b>	3,149	<b>7,079</b>	5,839	13,314	12,074
Operating profit excl. items affecting comparability, SEK M <sup>1)</sup>	<b>29</b>	75	<b>36</b>	112	126	202
Operating margin excl. items affecting comparability, %	<b>0.8</b>	2.4	<b>0.5</b>	1.9	0.9	1.7
Operating profit, SEK M	<b>21</b>	72	<b>27</b>	107	114	194
Operating margin, %	<b>0.5</b>	2.3	<b>0.4</b>	1.8	0.9	1.6
Profit before tax, excl. items affecting comparability, SEK M <sup>1)</sup>	<b>28</b>	75	<b>38</b>	113	123	198
Profit before tax, SEK M	<b>20</b>	72	<b>29</b>	108	111	190
Profit after tax but before profit/loss from discontinued operation, SEK M	<b>16</b>	50	<b>21</b>	79	75	133
Profit/loss from discontinued operation, net after tax, SEK M	-	13	<b>5</b>	-8	70	57
Net profit, SEK M	<b>16</b>	63	<b>26</b>	71	145	190
Earnings per share, SEK <sup>2)</sup>	<b>0.70</b>	2.75	<b>1.15</b>	3.10	6.25	8.20

<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 12.

## Notable events during the first quarter

- Bilia in Norway reached an agreement on the sale of its shareholding in Viking Redningstjeneste AS with an estimated capital gain of SEK 10.8 M. The sale is conditional upon obtaining approval of the deal from the Norwegian Competition Authority. The capital gain will be recognised when approval is obtained.
- In February, Bilia acquired Tronrud Bil Holding AS, Norway's largest BMW dealer. Tronrud Bil Holding AS is a member of the Bilia Group as of the acquisition date.

## Notable events during the second quarter

- The Annual General Meeting on 19 April resolved to spin off Bilia's property portfolio, Catena AB, and distribute the shares to Bilia's shareholders. Catena's net profit for the first quarter is reported under the heading "Profit/loss from discontinued operation".

### *Financial goals*

As a consequence of the spin-off of Catena, the operating margin target has been reduced from 3.0 per cent to 2.2 per cent. Other financial goals are unchanged.

- Investment AB Öresund sold 200,000 share options in Bilia to senior executives in the Bilia Group. The price per option was SEK 5 and the options have a term of three years with an exercise price of SEK 110 per share. Investment AB Öresund also sold 70,000 share options to the members of the Board on the same terms as the senior executives. The option programmes do not entail any dilution for Bilia's shareholders.
- Acting on the authorisation of the AGM, the Board of Directors resolved to buy back the company's own shares. As of 1 August 2006, Bilia's holding of its own shares amounted to 600,000 shares. The AGM has authorised the Board to acquire a total of 2,312,915 Bilia shares.

- On 7 June, the Stockholm City Court acquitted Bilia and seven other Volvo dealers of charges of illegal price collusion during the period 1998-2002. The Swedish Competition Authority's demand for a restraint-of-trade fine of SEK 55.3 M was dismissed and Bilia was awarded compensation for litigation costs. On 28 June, the Swedish Competition Authority appealed the judgement to the Market Court, which is the final instance. The case is expected to come up for review in the spring of 2007.
- Bilia started sales and service of Hyundai's cars and light trucks in the Oslo area, beginning from Bilia's facility in Jessheim.

## Second quarter 2006

Overall demand for new cars and service in Bilia's market areas was at a good level.

**Net turnover** during the quarter amounted to SEK 3,883 M (3,149). Adjusted for exchange rate changes and comparable operations, net turnover increased by about SEK 130 M or 4 per cent. The increase is mainly attributable to sales of new cars.

**Operating profit** amounted to SEK 21 M (72). Items affecting comparability reduced the profit by SEK 8 M (reduction: 3). Earnings in the Car Business declined compared with last year due mainly to lower margins in sales of new and used cars. Compared with the first quarter, however, earnings in the Car Business improved as a consequence of increased sales and slightly better margins. Earnings in the Service Business declined mainly due to fewer working days during the quarter and price adjustments, mainly for service jobs in Sweden. The result from customer financing amounted to SEK 26 M (24).

**Items affecting comparability** (see table on page 4) amounted to a net of minus SEK 8 M (-3) during the quarter, broken down into SEK 7 M (-5) in costs for disputes and SEK 1 M (-) in impairment loss on a property in Germany. Last year includes SEK 2 M in profit from sale of property.

**Net financial items** amounted to an expense of SEK 1 M (0). This includes a profit share of SEK 3 M (3) from the shareholding in Volvo-finans.

**Net profit** amounted to SEK 16 M (63) and earnings per share to SEK 0.70 (2.75). Exchange rate changes only affected the profit marginally. Last year's net profit includes SEK 13 M in profit from discontinued operation, Catena and Micro.

**Total assets** decreased during the quarter by SEK 645 M to SEK 5,473 M. The decrease is attributable to the spin-off of Catena.

**Equity** increased during the quarter by SEK 441 M, amounting to SEK 1,737 M at the end of the quarter. Equity was affected during the quarter by a cash dividend to the shareholders of SEK 185 M, a buy-back of own shares amounting to SEK 51 M, and the spin-off of Catena which resulted in an equity contribution of net SEK 665 M. The equity/assets ratio amounted to 32 per cent (21).

**Investments and disposals** amounted to SEK 140 M (57). Replacement investments represented SEK 8 M (5), expansion investments SEK 21 M (6), environmental investments SEK 1 M (1) and investments in new construction and additions to properties SEK -3 M (10). Net investments in leased vehicles and finance leases amounted to SEK 113 M (35).

**The number of employees** increased during the quarter by 13, amounting to 3,449.

**Cash flow** from operating activities amounted to SEK 43 M (143). Net debt decreased during the quarter by SEK 1,047 M to SEK 70 M. The decrease is attributable to the spin-off of Catena.

## First six months 2006

**Net turnover** amounted to SEK 7,079 M (5,839). Adjusted for exchange rate changes and comparable operations, net turnover increased by about SEK 200 M or 3 per cent. The increase is mainly attributable to increased turnover from sales of new cars.

**Operating profit** amounted to SEK 27 M (107). Items affecting comparability reduced the profit by SEK 9 M (-5). The discrepancy compared with last year is mainly attributable to increased competition and thereby lower margins in sales of new and used cars. The result from customer financing amounted to SEK 54 M (54).

**Items affecting comparability** (see table on page 4) amounted to a net of minus SEK 9 M (-5) during the quarter, broken down into SEK 8 M (-7) in costs for disputes and SEK 1 M (-) in impairment loss on a property in Germany. Last year includes SEK 2 M in profit from sale of property.

**Net financial items** amounted to SEK 2 M (1). This includes a profit share of SEK 7 M (7) from the shareholding in Volvo-finans.

**The tax expense** amounted to SEK 8 M, which is equivalent to a tax rate of 28 per cent.

**Net profit** amounted to SEK 26 M (71) and earnings per share to SEK 1.15 (3.10). Exchange rate changes only affected the profit marginally. Profit from discontinued operation, Catena and Micro, is included in the net profit in an amount of SEK 5 M (-8).

**Cash flow** from operating activities amounted to SEK 183 M (-137).

**Investments and disposals** amounted to SEK 191 M (120). Replacement investments represented SEK 13 M (12), expansion investments SEK 28 M (13), environmental investments SEK 2 M (1) and investments in new construction and additions to properties SEK 1 M (14). Net investments in leased vehicles and finance leases amounted to SEK 147 M (80).

**Changes in equity**

Group, SEK M	First six months		Full year
	2006	2005	2005
Opening balance	1,286	1,490	1,490
Change of accounting principle IAS	-	140	140
Redemption of Series C shares	-	-377	-377
Cash dividend to shareholders	-185	-173	-173
Spin-off of Catena <sup>1)</sup>	665	-	-
Buy-back of shares <sup>2)</sup>	-51	-	-
Translation difference, etc.	-4	19	16
Net profit	26	71	190
Closing balance	1,737	1,170	1,286

<sup>1)</sup> The spin-off utilised SEK 600 M of the Group's equity.  
Furthermore, an internal profit of SEK 1,265 M was realised at the time of the spin-off.

<sup>2)</sup> At the end of the second quarter of 2006, the holding of own shares amounted to 496,555 (0).  
The weighted average number of own shares during the first six months of 2006 amounted to 63,504 (0).

**Items affecting comparability**

Group, SEK M	Second quarter		First six months		July 05 -	Full year
	2006	2005	2006	2005	June 06	2005
<b>Operating profit excl.</b>						
<b>items affecting comparability</b>	29	75	36	112	126	202
Items affecting comparability						
- Gain from property sales	-	2	-	2	0	2
- Other	-1	-	-1	-	-6	-5
- Catena	-	-	-	-	-3	-3
- Disputes	-7	-5	-8	-7	-3	-2
<b>Operating profit</b>	21	72	27	107	114	194
<b>Profit before tax excl.</b>						
<b>items affecting comparability</b>	28	75	38	113	123	198
Items affecting comparability						
- Gain from property sales	-	2	-	2	0	2
- Other	-1	-	-1	-	-6	-5
- Catena	-	-	-	-	-3	-3
- Disputes	-7	-5	-8	-7	-3	-2
<b>Profit before tax</b>	20	72	29	108	111	190

## Cars

No. of new cars	Deliveries						Order backlog	
	Second quarter		First six months		July 05	Full year	30 June	
	2006	2005	2006	2005	- June 06	2005	2006	2005
Sweden	<b>6,360</b>	5,037	<b>11,176</b>	9,218	19,751	17,793	<b>2,181</b>	2,063
Norway <sup>1)</sup>	<b>1,383</b>	1,048	<b>2,331</b>	1,845	4,108	3,622	<b>666</b>	454
Denmark <sup>2)</sup>	<b>1,578</b>	491	<b>2,544</b>	764	5,257	3,477	<b>523</b>	587
Total	<b>9,321</b>	6,576	<b>16,051</b>	11,827	29,116	24,892	<b>3,370</b>	3,104

<sup>1)</sup> Tronrud is included in deliveries at the end of the second quarter of 2006 in the amount of 421 and in the order backlog at 30 June 2006 in the amount of 142.

<sup>2)</sup> Scaniadam is included in deliveries for the full year 2005 in the amount of 1,627 and for the first six months of 2006 in the amount of 1,276.

SEK M	Net turnover						Operating profit/loss, operating margin							
	Second quarter		First six months		July 05	Full year	Second quarter				First six months		July 05	Full year
	2006	2005	2006	2005	- June 06	2005	2006	%	2005	%	2006	2005	- June 06	2005
Sweden	<b>2,476</b>	2,306	<b>4,562</b>	4,336	8,572	8,346	<b>53</b>	<b>2.1</b>	73	3.2	<b>83</b>	122	195	234
Norway	<b>832</b>	615	<b>1,528</b>	1,119	2,702	2,293	<b>-11</b>	<b>-1.3</b>	12	2.0	<b>-14</b>	13	-13	14
Denmark	<b>569</b>	229	<b>981</b>	384	2,030	1,433	<b>2</b>	<b>0.4</b>	3	1.3	<b>-2</b>	3	3	8
Total	<b>3,877</b>	3,150	<b>7,071</b>	5,839	13,304	12,072	<b>44</b>	<b>1.1</b>	88	2.8	<b>67</b>	138	185	256

- **Loss in Norway**
- **Lower earnings in the Service Business**

The market for new cars increased during the quarter by 7 per cent in Sweden and 8 per cent in Denmark, while it decreased by 5 per cent in Norway. Demand for used cars continued to be weak.

Net turnover during the quarter amounted to SEK 3,877 M (3,150). Adjusted for exchange rate changes and comparable operations, turnover increased by about SEK 125 M or 4 per cent. The increase is mainly attributable to increased turnover from sales of new cars.

Operating profit for cars decreased by SEK 44 M, amounting to SEK 44 M. Earnings during the month of April were much worse compared to the same month last year due in part to the fact that the Easter holiday fell during the month of April this year. Both the Car Business and the Service Business report lower earnings for the quarter.

The operation in **Sweden** reported an operating profit of SEK 53 M (73). The decrease is mainly attributable to the Service Business. Fewer working days and price adjustments for certain workshop jobs, mainly service, for the purpose of increasing competitiveness affected earnings in the Service Business. The start-up of the used car auction company Netbil charged quarterly earnings with SEK 6 M. Customer satisfaction was further strengthened during the quarter.

The operating loss in Bilia's **Norwegian** operation amounted to SEK 11 M (profit: 12). The integration of Tronrud Bil Holding AS, which was acquired in February of this year, was made more difficult by the resignation of certain key persons. New personnel have been hired, and during the third quarter the companies in the Tronrud Group will be merged to one company while administration is coordinated with Bilia's existing administration in Norway. A total of SEK 7 M was charged to earnings during the second quarter due to Tronrud, broken down into an operating loss of SEK 4 M and acquisition costs of SEK 3 M. Operating profit in the Service Business decreased by SEK 12 M due mainly to the fact that the Easter holiday fell during the quarter and start-up costs for the new body and paint shop in Risklökka.

There is a potential for improved earnings due to the fact that the company now represents nine brands and has increased its workshop capacity. The structure will be changed towards fewer and more efficient car facilities with an unchanged number of service facilities.

The **Danish** operation reported an operating profit of SEK 2 M (3). Operating efficiency was improved during the quarter following the merger that took place at the beginning of the year. The present-day Ford facility in Amager, Copenhagen, will also start selling and servicing Volvo and Renault cars during the month of August. Facility structure and workshop efficiency are priority areas for the Danish operation.

## Cars - divided into Service and Car Businesses

SEK M	Net turnover <sup>2)</sup>						Contribution <sup>3)</sup>					
	Second quarter		First six months		July 05	Full year	Second quarter		First six months		July 05	Full year
	2006	2005	2006	2005	- June 06	2005	2006	2005	2006	2005	- June 06	2005
Service Business <sup>1)</sup>	<b>1,144</b>	1,045	<b>2,238</b>	1,975	4,381	4,118	<b>95</b>	117	<b>210</b>	215	437	442
- margin, %							<b>8.3</b>	11.2	<b>9.4</b>	10.9	10.0	10.7
Car Business <sup>1)</sup>	<b>2,885</b>	2,218	<b>5,158</b>	4,081	9,543	8,466	<b>9</b>	27	<b>-12</b>	39	-7	44
- margin, %							<b>0.3</b>	1.2	<b>-0.2</b>	1.0	-0.1	0.5

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.

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

- Increased deliveries of new cars
- Lower earnings in the Service Business

The Service Business's sales declined for comparable operations and adjusted for exchange rate changes by about 5 per cent. Norway increased by 1 per cent while Sweden and Denmark decreased by 6 and 8 per cent, respectively. The contribution decreased by SEK 22 M, due mainly to fewer working days during the quarter and price adjustments in Sweden. In order to strengthen competitiveness in Sweden, Bilja has reduced the prices of certain workshop jobs, mainly service. Appointments booked and accessibility to workshop jobs increased during the quarter as an effect of the price adjustments. Earnings from the new body and paint shop in Norway have improved steadily, but the operation reports an overall loss for the quarter.

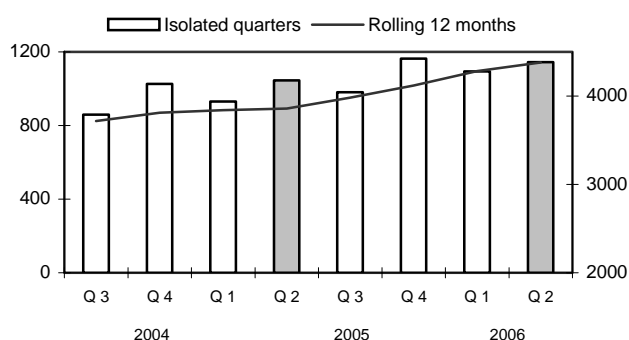
The Car Business's deliveries of new cars increased by 25 per cent during the quarter for

comparable operations, while order bookings increased by 6 per cent, resulting in a reduction in the order backlog. Car turnover increased for comparable operations and adjusted for exchange rate changes by about 8 per cent. The contribution declined during the quarter by SEK 18 M to SEK 9 M and the contribution margin by 0.9 percentage point to 0.3 per cent. The earnings discrepancy is attributable to lower margins in sales of new and used cars. However, the contribution improved compared with the first quarter of the year due to increased turnover and slightly better margins. The margin in used car sales is still squeezed, mainly in Norway.

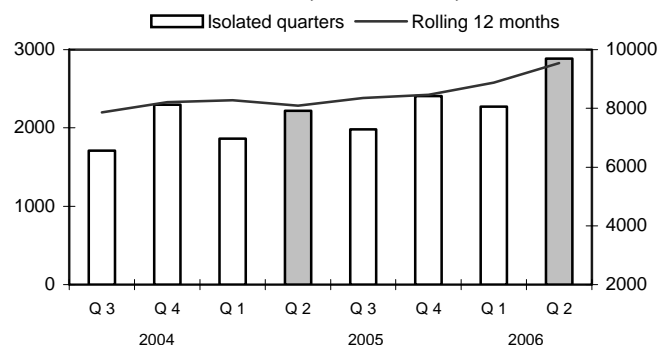
Stocks of new and used cars declined during the quarter and are at a satisfactory level overall. Stocks of used cars in Norway, which have been too high for a long time, have been reduced by about 300 cars since the start of the year and are approaching an acceptable level.

The Car Business's net turnover and contribution have been adjusted in accordance with IAS 18 for 2004.

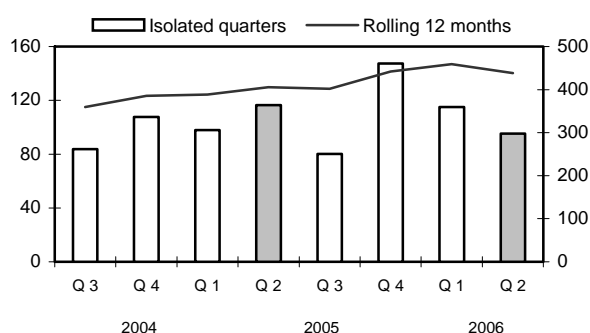
Service Business, Net Turnover, SEK M



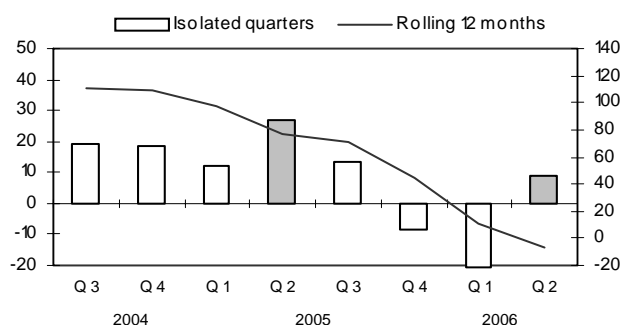
Car Business, Net Turnover, SEK M



Service Business, Contribution, SEK M



Car Business, Contribution, SEK M



## Discontinued operation, Micro

SEK M	First six months		Full year
	2006	2005	2005
<b>Loss from discontinued operation</b>			
Net turnover	-	44	44
Cost of goods sold	-	25	25
Other operating revenues	-	0	1
Selling expenses	-	26	26
Administrative expenses	-	5	7
Other operating expenses	-	2	2
Financial expenses	-	0	1
<b>Loss before tax</b>	-	-14	-16
Tax	-	4	5
<b>Loss after tax but before loss from revaluation and disposal of discontinued operation</b>	-	-10	-11
Loss from revaluation and disposal of discontinued operation before tax	-	-55	-55
Tax attributable to loss from revaluation and disposal of discontinued operation	-	15	15
<b>Loss from revaluation and disposal of discontinued operation after tax</b>	-	-40	-40
<b>Loss from discontinued operation, net after tax</b>	-	-50	-51
Loss per share, SEK	-	-2.15	-2.20

### Effects of discontinued operation on individual assets and liabilities in the Group

SEK M	First six months		Full year
	2006	2005	2005
Property, plant and equipment	-	12	2
Long-term investments	-	24	8
Interest-bearing receivables	-	-	6
Other receivables	-	9	-
Cash and cash equivalents	-	0	-
Interest-bearing liabilities	-	44	-
Other liabilities	-	37	3
Trade payables	-	0	-
<b>Disposal of assets and liabilities, net</b>	-	-36	13

## Discontinued operation, Properties

SEK M	First six months		Full year
	2006	2005	2005
Net turnover	45	109	221
Other operating revenues	-	10	51
Administrative expenses	29	56	128
Other operating expenses	-	1	-
Financial expenses	9	4	10
<b>Profit before tax</b>	<b>7</b>	<b>58</b>	<b>134</b>
Tax	-2	-16	-26
<b>Profit from discontinued operation, net after tax</b>	<b>5</b>	<b>42</b>	<b>108</b>
Earnings per share, SEK	0.25	1.80	4.70

### Effects of discontinued operation on individual assets and liabilities in the Group

SEK M	First six months		Full year
	2006	2005	2005
Intangible assets	-	22	-
Property, plant and equipment	-	746	703
Long-term investments	-	8	6
Interest-bearing receivables	-	-	22
Other receivables	-	6	17
Cash and cash equivalents	-	0	0
Interest-bearing liabilities	-	243	23
Provisions	-	7	9
Other liabilities	-	155	177
Trade payables	-	9	13
<b>Disposal of assets and liabilities, net</b>	<b>-</b>	<b>368</b>	<b>526</b>

## Acquisition of operation

### Tronrud Bil Holding AS

In February 2006, Bilia acquired Tronrud Bil Holding AS, Norway's largest BMW dealer, for SEK 93 M, of which SEK 81 M was

paid in cash. Tronrud Bil Holding AS also sells Ford, Honda, Nissan and Mini.

#### *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 Tronrud Bil Holding AS before acquisition		Fair value adjustment	Fair value recognised in Group
Intangible assets	5		45	50
Property, plant and equipment	11		6	17
Inventories	129		1	130
Trade receivables and other receivables	35		6	41
Cash and cash equivalents	18			18
Interest-bearing liabilities	52			52
Trade payables and other liabilities	125		16	141
<b>Net identifiable assets and liabilities</b>	<b>21</b>		<b>42</b>	<b>63</b>
Consolidated goodwill				30
Purchase consideration paid, cash				81
Loan to seller				12
Cash, acquired				18
<b>Net cash outflow</b>				<b>63</b>

Goodwill arising in connection with the acquisition of Tronrud Bil Holding AS amounts to SEK 30 M. Acquired customer relations (SEK 14 M), distribution right (SEK 17 M), trademark (SEK 9 M) and restraint-of-trade clause (SEK 5 M) are carried as intangible assets.

Customer relations are amortised over 5 years, the distribution right and trademark are amortised over 10 years and the restraint-of-trade clause is amortised over 6 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 expenses amounted to SEK 15 M (17). This includes costs of SEK 0 M (4) for disputes.

## Annual General Meeting in April

The AGM approved the cash dividend of SEK 8.00 per share (total: SEK 185 M) and a spin-off in the form of a distribution of all shares in Catena AB. The spin-off of Catena utilised SEK 600 M of the Group's equity. Furthermore, an internal profit of SEK 1,265 M was realised at the time of the spin-off. The Board of Directors was authorised to buy back no more than 2,312,915 of the company's own shares.

## Miscellaneous

### Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR 31 Interim Financial Reporting for Groups. The same accounting principles and calculation methods are

applied as in the most recent annual report, with the following change.

Bilia's holding in Volvofinans AB was accounted for in 2005 in accordance with the rules in IAS 39 Financial Instruments: Recognition and Measurement, and was measured at fair value, which matched changes in Volvofinans AB's equity. Upon further analysis of the accounting rules in IFRS, it has been concluded that Bilia's holding in Volvofinans AB should be accounted for in accordance with the rules in IAS 28 Investments in Associates, which means that Bilia's share of Volvofinans AB's earnings is included in Bilia's earnings. This changed principle has no effect on Bilia's income statements and balance sheets.

Changes in IAS 19 Employee Benefits, IAS39 Financial Instruments: Recognition and Measurement, and IFRS 7 Financial Instruments: Disclosures are applied as from 1 January 2006.

The new and revised IFRS standards that entered into effect as from 1 January 2006 have no effect on the Bilia Group's income statements, balance sheets, cash flow statements and equity.

### Audit

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

### Next report

The interim report for the third quarter of 2006 will be published on 26 October 2006.

Göteborg, 2 August 2006

Bilia AB (publ)  
Board of Directors

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## INFORMATION ON BUSINESS SEGMENTS

### First six months

SEK M	Cars		Other <sup>1)</sup>		Parent Company		Eliminations		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
NET TURNOVER										
External net turnover	7,071	5,838	1	1	7	-				
Internal net turnover	0	1	-	-	12	-	-12	-1		
Total net turnover	7,071	5,839	1	1	19	-	-12	-1	7,079	5,839
PROFIT/LOSS										
Operating profit/loss by business segment	67	138	-11	0	-31	-32	2	1	27	107
Net financial items by business segment	-16	-5	2	2	36	4	-20	-	2	1
Tax expense <sup>2)</sup>									-8	-29
Profit/loss from disposal of discontinued operation, net after tax									5	-8
Net profit									26	71
OTHER DISCLOSURES										
Assets, non-interest-bearing	5,014	4,207	25	782	58	50			5,097	5,039
Assets, interest-bearing	356	391	232	270	835	859			1,423	1,520
Assets held for sale									-	45
Eliminations							-1,047	-1,097	-1,047	-1,097
Total assets									5,473	5,507
Liabilities, non-interest-bearing	3,235	2,711	8	147	25	19			3,268	2,877
Liabilities, interest-bearing	1,453	1,240	3	237	25	907			1,481	2,384
Liabilities attributable to assets held for sale									-	81
Eliminations							724	165	724	165
Total equity and liabilities									5,473	5,507
Investments, net	190	102	-	17	1	1				
Depreciation/amortisation	124	98	3	1	1	1				
Total depreciation/amortisation									128	100
Expenses other than depreciation/amortisation not matched by disbursements <sup>3)</sup>	19	5	-	-	0	1				

## INFORMATION ON GEOGRAPHICAL SEGMENTS

### First six months

SEK M	Net turnover		Assets		Investments	
	2006	2005	2006	2005	2006	2005
Sweden	4,562	4,336	2,840	2,996	78	93
Norway	1,528	1,119	1,862	1,597	111	25
Denmark	981	384	693	759	1	1
Other	1	1	257	296	-	-
Parent Company	19	-	893	909	1	1
Assets held for sale	-	-	-	45	-	-
Eliminations	-12	-1	-1,072	-1,095	-	-
Total Bilja Group	7,079	5,839	5,473	5,507	191	120

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

## Consolidated Income Statement

SEK M	Second quarter		First six months		July 05 - June 06	Full year 2005
	2006	2005	2006	2005		
<b>Net turnover</b>	<b>3,883</b>	3,149	<b>7,079</b>	5,839	13,314	12,074
Costs of goods sold	<b>3,306</b>	2,636	<b>5,989</b>	4,877	11,206	10,094
<b>Gross profit</b>	<b>577</b>	513	<b>1,090</b>	962	2,108	1,980
Other operating revenues	<b>2</b>	1	<b>3</b>	1	4	2
Selling expenses	<b>432</b>	343	<b>829</b>	659	1,557	1,387
Administrative expenses	<b>123</b>	100	<b>234</b>	198	431	395
Other operating expenses	<b>3</b>	-1	<b>3</b>	-1	10	6
<b>Operating profit <sup>1)</sup></b>	<b>21</b>	72	<b>27</b>	107	114	194
Financial income	<b>4</b>	5	<b>6</b>	10	21	25
Financial expenses	<b>8</b>	5	<b>11</b>	9	31	29
Shares in the earnings of associated companies	<b>3</b>	-	<b>7</b>	-	7	-
Net financial items	<b>-1</b>	0	<b>2</b>	1	-3	-4
<b>Profit before tax</b>	<b>20</b>	72	<b>29</b>	108	111	190
Tax	<b>-4</b>	-22	<b>-8</b>	-29	-36	-57
<b>Profit after tax but before profit/loss from discontinued operation</b>	<b>16</b>	50	<b>21</b>	79	75	133
Profit/loss from discontinued operation, net after tax	<b>-</b>	13	<b>5</b>	-8	70	57
<b>Net profit</b>	<b>16</b>	63	<b>26</b>	71	145	190
Earnings per share, SEK	<b>0.70</b>	2.75	<b>1.15</b>	3.10	6.25	8.20
Number of shares at end of period, '000	<b>22,633</b>	23,129	<b>22,633</b>	23,129	22,633	23,129
Earnings per share, SEK	<b>0.70</b>	2.75	<b>1.15</b>	3.10	6.25	8.20
Weighted average number of shares, '000	<b>23,003</b>	23,129	<b>23,066</b>	23,129	23,098	23,129

1) Amortisation/depreciation acc. to plan by asset class						
- Intellectual property	3	0	7	1	13	7
- Land and buildings	1	0	1	0	2	1
- Equipment, tools, fixtures and fittings	21	16	40	31	72	63
- Leased vehicles	42	35	80	68	156	144
<b>Total</b>	<b>67</b>	51	<b>128</b>	100	243	215

### Operating profit/loss per business segment

SEK M	Second quarter		First six months		July 05 - June 06	Full year 2005
	2006	2005	2006	2005		
Cars	<b>44</b>	88	<b>67</b>	138	185	256
Parent Company	<b>-15</b>	-17	<b>-31</b>	-32	-63	-64
Other, eliminations	<b>-8</b>	1	<b>-9</b>	1	-8	2
<b>Operating profit</b>	<b>21</b>	72	<b>27</b>	107	114	194

## Consolidated Balance Sheet

SEK M	30.06.06	31.12.05	30.06.05
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	93	48	47
Goodwill	103	62	62
	196	110	109
<b>Property, plant and equipment</b>			
Land and buildings	58	736	677
Construction in progress	4	30	68
Equipment, tools, fixtures and fittings	304	273	266
Leased vehicles <sup>1)</sup>	1,806	1,751	1,464
	2,172	2,790	2,475
<b>Long-term investments</b>			
Financial investments	188	176	168
Other long-term receivables <sup>2)</sup>	22	20	72
Deferred tax assets	67	58	61
	277	254	301
<b>Total non-current assets</b>	2,645	3,154	2,885
<b>Current assets</b>			
Inventories, merchandise	1,862	1,850	1,698
<b>Current receivables</b>			
Interest-bearing receivables <sup>2)</sup>	54	22	66
Other receivables	861	857	737
Cash and cash equivalents <sup>2)</sup>	51	63	76
Assets held for sale	-	16	45
<b>Total current assets</b>	2,828	2,808	2,622
<b>Total assets</b>	5,473	5,962	5,507
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	231	231	231
Reserves	7	5	110
Retained earnings including net profit for the year	1,499	1,050	829
<b>Total equity</b>	1,737	1,286	1,170
<b>Non-current liabilities</b>			
Interest-bearing liabilities <sup>3)</sup>	28	241	1,007
Other liabilities and provisions <sup>4)</sup>	1,483	1,534	1,323
	1,511	1,775	2,330
<b>Current liabilities</b>			
Interest-bearing liabilities <sup>3)</sup>	168	748	66
Other liabilities and provisions	2,057	2,150	1,860
Liabilities attributable to assets held for sale	-	3	81
	2,225	2,901	2,007
<b>Total equity and liabilities</b>	5,473	5,962	5,507
Assets			
<sup>1)</sup> Of which interest-bearing	236	238	268
<sup>2)</sup> Interest-bearing	127	105	214
Liabilities			
<sup>3)</sup> Interest-bearing	196	989	1,073
<sup>4)</sup> Of which interest-bearing	237	238	231

## Consolidated Cash Flow Statement

SEK M	Second quarter		First six months		July 05 -	Full year
	2006	2005	2006	2005	June 06	2005
<b>OPERATIONS</b>						
<b>Operating activities</b>						
Operating profit	21	72	27	107	114	194
Financial items	-1	0	2	1	-3	-4
Depreciation/amortisation and impairment losses	67	51	128	100	248	220
Other items not affecting cash	7	16	24	8	59	43
Tax paid	-6	-7	-31	-108	-75	-152
Change in inventories	63	68	124	-98	-13	-235
Change in operating receivables	-59	51	70	79	-96	-87
Change in operating liabilities	-49	-108	-161	-126	171	206
<b>Cash flow from operating activities</b>	<b>43</b>	<b>143</b>	<b>183</b>	<b>-37</b>	<b>405</b>	<b>185</b>
<b>Investing activities</b>						
Investments and disposals in non-current assets	-140	-57	-191	-120	-337	-266
Interest-bearing receivables	4	-15	-11	-59	78	30
Business combinations	17	-70	-106	-70	-110	-74
Disposals	-	8	-	22	70	92
<b>Cash flow from investing activities</b>	<b>-119</b>	<b>-134</b>	<b>-308</b>	<b>-227</b>	<b>-299</b>	<b>-218</b>
<b>Remaining after net investments</b>	<b>-76</b>	<b>9</b>	<b>-125</b>	<b>-264</b>	<b>106</b>	<b>-33</b>
<b>Financing activities</b>						
Change in bank loans and other loans	350	181	397	672	143	418
Redemption, subordinated shares	-	-	-	-377	-	-377
Dividend to shareholders and share buy-back	-236	-173	-236	-173	-236	-173
Cash and cash equivalents Catena	-18	-	-18	-	-18	-
<b>Cash flow from financing activities</b>	<b>96</b>	<b>8</b>	<b>143</b>	<b>122</b>	<b>-111</b>	<b>-132</b>
<b>Change in liquid assets, excl. translation differences</b>	<b>20</b>	<b>17</b>	<b>18</b>	<b>-142</b>	<b>-5</b>	<b>-165</b>
Exchange difference in cash and cash equivalents	-1	1	-1	2	-1	2
<b>Change in cash and cash equivalents</b>	<b>19</b>	<b>18</b>	<b>17</b>	<b>-140</b>	<b>-6</b>	<b>-163</b>
Cash and cash equivalents at start of year	83	246	83	246	83	246
Cash and cash equivalents at end of period	102	264	100	106	77	83

## Quarterly review

### Quarter

Group	Recalculated acc. to IFRS			Quarter				
	3/04	4/04	1/05	2/05	3/05	4/05	1/06	2/06
Net turnover, SEK M	2,491	3,180	2,690	3,149	2,851	3,384	3,196	<b>3,883</b>
Operating profit, excluding items affecting comparability, SEK M	70	79	37	75	35	55	7	<b>29</b>
Operating margin, excluding items affecting comparability, %	2.8	2.5	1.4	2.4	1.2	1.6	0.2	<b>0.8</b>
Operating profit, SEK M	88	76	35	72	32	55	6	<b>21</b>
Operating margin, %	3.5	2.4	1.3	2.3	1.1	1.6	0.2	<b>0.5</b>
Profit before tax, SEK M	82	68	36	72	27	55	9	<b>20</b>
Profit after tax but before profit/loss from discontinued operation, SEK M	64	50	29	50	20	34	5	<b>16</b>
Profit/loss from discontinued operation, net after tax, SEK M	-5	-8	-21	13	29	36	5	-
Profit for the period, SEK M	59	42	8	63	49	70	10	<b>16</b>
Rate of capital turnover, times <sup>1)</sup>	2.67	2.60	2.45	2.33	2.36	2.28	2,26	<b>2.35</b>
Return on capital employed, % <sup>1)</sup>	17.3	18.3	16.0	14.1	11.1	10.0	8.1	<b>6.0</b>
Return on equity, % <sup>1)</sup>	16.1 <sup>3)</sup>	16.6 <sup>3)</sup>	14.0	15.2	13.8	15.8	15.4	<b>10.8</b>
Net debt/equity, times	0.20 <sup>3)</sup>	0.28 <sup>3)</sup>	0.44	0.70	0.47	0.69	0.86	<b>0.04</b>
Equity/assets ratio, %	23 <sup>3)</sup>	22 <sup>3)</sup>	25	21	23	22	21	<b>32</b>
<b>Data per share (SEK) <sup>2)</sup></b>								
Profit for the period	2.55	1.80	0.35	2.75	2.10	3.00	0.45 <sup>4)</sup>	<b>0.70</b> <sup>6)</sup>
Equity	48 <sup>3)</sup>	48 <sup>3)</sup>	55	51	53	56	56 <sup>5)</sup>	<b>77</b> <sup>7)</sup>

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

<sup>2)</sup> Based on number of shares outstanding, 23,129,155.

<sup>3)</sup> Calculated excluding new issue of 37.7 million subordinated shares of Series C.

<sup>4)</sup> Based on weighted average number of shares outstanding during first quarter, 23,129,074.

<sup>5)</sup> Based on number of shares outstanding at 31 March 2006, 23,129,000.

<sup>6)</sup> Based on weighted average number of shares outstanding during second quarter, 23,002,924.

<sup>7)</sup> Based on number of shares outstanding at 30 June 2006, 22,632,600.