

Holders of shares who are not entitled to participate in the Rights Issue: The Rights Issue is only directed to persons in jurisdictions where the offer under the Rights Issue does not require additional registration or other action other than as follows under Swedish law, and where the offer under the Rights Issue would not breach any law or regulatory requirement. Holders of Bilia shares in any such restricted jurisdiction will receive the net proceeds from the sale of Unit Rights to which these holders would otherwise have been entitled. Such a sale will occur as soon as possible on NASDAQ OMX Stockholm via HQ Bank.

SUMMARY INFORMATION REGARDING THE RIGHTS ISSUE OF SUBORDINATED DEBENTURES AND WARRANTS (“UNITS”) IN BILIA AB (PUBL)



Summary information regarding the rights issue of subordinated debentures and warrants (“Units”) in Bilia AB (publ)

This summary is only an introduction to and a résumé of the Prospectus. Any investment in Bilia shall be made against the background of the information in the Prospectus as a whole and thus not solely on the basis of this summary. Readers of this Prospectus should not make any decisions on investing in Bilia without having carefully read and assimilated the entire Prospectus and having carefully studied and understood the risks associated with an investment in Bilia. Potential investors should note that parties may be held responsible for information included or lacking in the summary only if the summary is misleading, erroneous or incompatible with other parts of the Prospectus. An investor who presses charges in a court of law due to the information contained in the Prospectus could be compelled to defray the costs of translating the Prospectus.

This document is a translation of the Swedish original. In the event of any discrepancy between the original and the English translation, the Swedish original shall prevail.

TERMS IN BRIEF

Preferential right:	One (1) share held in the Company carries entitlement to one (1) Unit Right. Four (4) Unit Rights carry entitlement to subscription of one (1) Unit
Unit:	One (1) Subordinated Debenture in a nominal amount of SEK 20, with a term of seven years and carrying 7 per cent annual interest and one (1) Warrant with an exercise price of SEK 20 and a term of seven years
Subscription price:	SEK 20 per Unit
Record date:	December 4, 2008
Subscription period:	December 9 – December 23, 2008
Trading in Unit Rights:	December 9 – December 18, 2008
Subscription and payment:	Subscription is effected through simultaneous cash payment during the subscription period, but no later than December 23, 2008.
Surplus Unit Rights:	Surplus Unit Rights will be sold centrally free of charge
Brokerage-free sale of Unit Rights:	December 9 – December 16, 2008

RIGHTS ISSUE IN BRIEF

Sales of new cars in Sweden are estimated to amount to approximately 255,000 units in 2008, a decline from slightly more than 300,000 units in 2007¹⁾. Due to prevailing uncertainty in the credit market and the deep recession, Bilia

assesses that the downturn in the passenger car market will continue next year and that sales of new cars in Sweden will not exceed 200,000 units in 2009. The downturn in car sales and the lower margins on sales of used cars negatively impacted Bilia’s operating profit during the first nine months of the year, resulting in an operating loss, excluding items affecting comparability, of SEK 25 M²⁾, of which the Car Business accounted for a loss of SEK 149 M. However, the Service Business’s operating profit of SEK 159 M was marginally better than in the year-earlier period. During the first nine months of the year, Bilia succeeded in reducing its tied-up capital and, after net investments, generated a positive cash flow of approximately SEK 430 M.

The recent period of turbulence in the credit market has resulted in a general deterioration in the potential to receive bank financing and banks are generally imposing increased demands in terms of collateral and margins. A new credit facility of approximately SEK 830 M (from the previous level of approximately SEK 1,600 M) and a short-term bank loan of currently about SEK 70 M – both against collateral in the form of pledges – have been agreed with the Company’s Swedish principal banks. However, Bilia foresees a need to strengthen its balance sheet ahead of what is expected to be a weak 2009. In view of this, Bilia’s Board of Directors has decided to propose a rights issue of approximately SEK 107 M before issue expenses³⁾ directed to Bilia shareholders. The Board of Directors’ proposal was adopted by an extraordinary general meeting of Bilia’s shareholders held on December 1, 2008.

Of Bilia’s three largest owners, two, namely HQ Fonder and Mats Qviberg and family, have announced their intention to subscribe for their respective portions of the Rights Issue. The third and largest single owner, Investment AB Öresund, has entered into a subscription guarantee agreement⁴⁾, in which it has undertaken to subscribe for its portion of the

1) Source: Bil Sweden.

2) Including SEK 35 M in costs for the Parent Company.

3) Total issue expenses for the Rights Issue are estimated to amount to approximately SEK 5.5 M, of which SEK 1.2 M pertains to costs for the issue guarantee.

4) No special collateral has been pledged for the subscription guarantee.

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Rights Issue and also guaranteed that Bilia, through the Rights Issue, will be provided with total issue proceeds of at least SEK 100 M before issue expenses. The intention is that the issue proceeds will be used for additional amortizations of bank loans.

Assuming full subscription, the Rights Issue will entail the raising of a subordinated loan of no more than SEK 107,296,260 and an associated issue of no more than 5,364,813 Warrants. Accordingly, the Company's share capital could increase by no more than SEK 53,648,130. The Warrants will provide entitlement to new subscription of Series A shares in the Company. The Company's shareholders have preferential rights to subscription of Units in relation to the number of shares in the Company currently held. Those who were registered as Bilia shareholders on the record date of December 4, 2008 have received one (1) Unit Right for each share in the Company held. Four Unit Rights provide entitlement to subscription of one (1) Unit. Subscription of Units shall be effected through cash payment of SEK 20 per Unit during the period commencing on December 9 and up to and including December 23, 2008.

BILIA IN BRIEF

History and development

Bilia traces its roots to 1967 when Volvo formed AB Volvator in order to restructure its dealer network. Bilia was floated on the stock exchange in 1984 under the name Catena. Subsequently, expansion occurred into new business sectors such as finance, properties and retailing. As of 1994, the Company has worked determinedly to streamline its operations to focus on vehicle distribution, which has resulted in the divestment of most of the non-core activities. In 1997, Catena was renamed Bilia. In 2003, Bilia's truck and construction equipment operations, KFAB, were spun off to the shareholders. In conjunction with the spinoff, AB Volvo made a public offer to recipients of the KFAB shares. KFAB became a wholly owned subsidiary of AB Volvo and Volvo was no longer the principal owner of Bilia.

In June 2005, Bilia acquired A/S Scaniadam and Selandia Motor Company A/S of Denmark, as a result of which Bilia became the largest car dealership in Denmark. In September 2005, Bilia acquired Sweden's largest Hyundai dealership, Haglund & Hellberg Bil i Haninge AB.

In February 2006, Bilia acquired Tronrud Bil Holding AS, one of the major BMW dealerships in Norway. The Annual General Meeting of April 19, 2006 resolved to spin off Bilia's real estate portfolio, Catena AB, to Bilia's shareholders. Bilia launched its new sales channel, Netbil, an Internet-based auction site, in 2006.

In March 2007, Bilia acquired all operating subsidiaries of Hans Persson Bil AB, a Volvo, Ford and Renault dealership in the Mälardalen region. Bilia also acquired the operations of Bilgruppen i Enköping Sala AB and Bilgruppen i Kungsängen AB in 2007.

In February 2008, Bilia's subsidiary Säfveån AB won a multi-year legal dispute concerning damages. The District Court of Gothenburg ordered the counterparty to pay SEK 14 M to Säfveån as compensation for its litigation costs. The counterparty has appealed this judgement.

In 2008, Bilia acquired all shares in Bilforum AS and Bilforum Finans AS, which represent Volvo, Renault and Land Rover in the Stavanger area of Norway. In April 2008 and July 2008, Bilia reached an agreement concerning the sale of real properties in Sweden and Denmark to a subsidiary of Corem Property Group. In September, the Swedish Market Court found Bilia Personbilar AB guilty of illegal exchange of price information in Skåne and Blekinge during 1998–2002. The company was ordered to pay a fine of SEK 6 M for restricting competition.

Operations

Bilia is the largest car chain in the Nordic region, with a leading position in servicing and sales of cars and transport vehicles plus supplementary services. Bilia has 106 facilities in Sweden, Norway and Denmark plus an online auction site, Netbil. On September 30, 2008, the number of employees in the Company was 3,694. Bilia's operations are divided into two business areas, the Service Business and the Car Business.

Service Business

In the Service Business, Bilia offers a well-developed range of services and products designed to facilitate car ownership and provide added value to customers. The Company knows that time is a limited resource for most people. The Service Business is Bilia's own part of the core business and comprises workshop services, spare parts, store and fuel sales. Bilia continuously develops new services and concepts designed to simplify car ownership. The Company offers various types of service agreements, security packages, tyre storage facilities and not least the Personal Service Technician concept, whereby customers have continual contact with the same technician. Bilia differentiates itself from the competition through a combination of price, quality, availability and security rather than always offering the lowest price. In recent years, the Company has increased the price-differentiation aspect of its offering, mainly to be able to attract customer categories that previously did not choose Bilia, primarily owners of older cars.

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Car Business

Bilia cooperates with manufacturers that offer strong brands and attractive product programs. The Company works hard to ensure that suppliers will experience that Bilia is the best business partner in terms of customer satisfaction and market position. The Car Business includes sales of new and used cars, light transport vehicles, customer financing and supplementary services. The Company currently sells cars from Volvo, Renault, Ford, Land Rover, Hyundai, Nissan, Honda and BMW, as well as light transport vehicles from Renault, Ford, Hyundai and Nissan. Thanks to access to these strong brands, the Company can attract several different customer categories with its offerings, which cover car requirements for the various stages of life and for various driving conditions.

MARKET IN BRIEF

Bilia is active in the Scandinavian market for servicing and sales of cars and light transport vehicles, as well as supplementary services. In Sweden, the Company's facilities are situated around the three metropolitan regions of Stockholm, Gothenburg and Malmö, and in the Mälardalen region and Skaraborg. In Norway, Bilia is established in the south-eastern part of the country, concentrated to the Oslo area, as well as in Stavanger, and in Denmark facilities are mainly situated in and around Copenhagen.

The Nordic car market has been characterised by price pressure and structural change, and in Sweden environmentally adapted cars have taken a firm grip on the new car market during the year.

New car registrations in Sweden declined during January-November by approximately 14 per cent, year on year. For full-year 2008, it is estimated that sales of new cars in Sweden will amount to about 255,000 units, down approximately 17 per cent compared with 2007. Due to the prevailing uncertainty in the credit market and the deep recession, Bilia assesses that the downturn in the passenger car market will continue next year and that sales of new cars in Sweden will not exceed 200,000 units in 2009.

A decline in the new car market gives rise to opportunities in the servicing market, since the rolling stock of vehicles then requires more maintenance. By offering well segmented products and services, there will be opportunities for Bilia to become a full-service supplier to customers. Bilia invests in and continuously develops services that simplify car ownership for its customers.

Bilia's largest competitors in the new car market are other local and regional dealers, both of the brands represented by Bilia and of other brands. The competitive situation varies according to the country concerned. The intense competition for buyers of cars has resulted in price pressure both for new and used cars. The competition is fiercest in the major cities. The trend of increased consolidation of the industry is continuing, since the lower margins are putting certain companies out of business, while providing opportunities for larger players to acquire smaller dealers. Although competition has also increased in the servicing segment, the service offering is more resistant to the price pressure. When selling services, experience and a strong brand can mitigate the impact of price competition.

RISK FACTORS

Bilia's business operations are associated with risks related to such factors as market development, the conditions for representing car makes, the products' competitiveness, the development of proprietary services, environment-related risks, key personnel, interest-rate risks, exchange-rate risks, credit risks and risks connected to legal disputes. The above-mentioned risks constitute a summary selection of the risk factors of importance to Bilia's operations or to an investment in the financial instruments issued by Bilia. For more detailed information, refer to *Risk factors*.

FINANCIAL DEVELOPMENT IN BRIEF

SEK M unless otherwise specified	Jan-Sep 2008	Jan-Sep 2007	2007	2006	2005
Net sales	10,945	10,884	15,405	14,056	12,074
Operating profit, excl. items affecting comparability	-25	107	176	130	202
Net indebtedness	954	975	1,222	-31	884
Equity/assets ratio, %	23	22	21	28	22
Number of employees at period end	3,694	4,006	3,961	3,458	3,219

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SHARE CAPITAL AND OWNERSHIP STRUCTURE

The Bilia share has been listed on NASDAQ OMX Stockholm since 1984 and is traded under the BILI A ticker. The ISIN code is SE000102295. On October 31, 2008, the number of shareholders amounted to 22,411. The largest shareholder was Investment AB Öresund, which held 26.5 per cent of the shares on October 31, 2008 (including subsequently known changes).

TEN LARGEST SHAREHOLDERS AT OCTOBER 31, 2008¹⁾

Shareholder	Number of shares	Percentage of capital/voting rights, %
Investment AB Öresund	5,682,655	26.5%
HQ Fonder	1,876,424	8.7%
Mats Qviberg and family	1,373,200	6.4%
Bilia AB repurchased shares	1,000,000 ²⁾	4.7%
AB Traction	650,108	3.0%
Arne Bergström	640,000	3.0%
Lannebo Funds	476,800	2.2%
Second AP Fund	314,708	1.5%
SEB Private bank S.A. NQI	231,191	1.1%
CBNY-DFA-INT SML CAP V (formerly Citibank)	227,643	1.0%
Others	8,986,526	41.9%
Total	21,459,255	100.0%

1) Including changes subsequently known by Bilia.

2) The Company owns treasury shares pursuant to authorisation received from Annual General Meetings held in 2007 and 2008. Treasury shares do not carry voting rights at general meetings, dividend rights, subscription rights in connection with new share issues, etc.

BOARD OF DIRECTORS AND GROUP MANAGEMENT

Board of Directors

Name	Position
Mats Qviberg	Chairman
Sven Hagströmer	Board Member
Jon Risfelt	Board Member
Gerard Versteegh	Board Member
Ingrid Jonasson Blank	Board Member
Heinrich Blauert	Board Member
Jack Forsgren	Board Member
Jan Pettersson	Board Member
Eva Cederbalk	Board Member
Mats Holgerson	Board Member
Patrik Nordvall	Board Member representing employees
Tommy Strandhäll	Board Member representing employees
Dragan Mitrasinovic	Deputy Board Member representing employees
Lennart Welin	Deputy Board Member representing employees

Group Management

Name	Position
Jan Pettersson	Managing Director and CEO
Gunnar Blomkvist	CFO
Sten Forsberg	MD Bilia Personbil as
Per Avander	MD Bilia Personbilar AB
Conny Bergström	Head of business development
Sven-Åke Karlsson	MD Bilia Personvogne A/S

ADVISERS AND AUDITORS

Bilia's financial adviser in connection with the Rights Issue is HQ Bank. Bilia's legal adviser in connection with the Rights Issue is Advokatfirman Vinge KB.

At Bilia's 2008 Annual General Meeting, KPMG AB was elected as Company auditor for the period up to the 2012 Annual General Meeting, with Authorised Public Accountant Johan Dyrefors as auditor-in-charge, assisted by Authorised Public Accountant Lars Bertén, who has been responsible for the audit of Bilia since 2000.

DOCUMENTATION APPENDED THROUGH REFERENCE

The following documents, which have previously been published and submitted to the Swedish Financial Supervisory Authority (Finansinspektionen), constitute components of the Prospectus through reference:

- i) Bilia's audited Annual Report for 2007 with the enclosed audit report;
- ii) Bilia's audited Annual Report for 2006 with the enclosed audit report;
- iii) Bilia's audited Annual Report for 2005 with the enclosed audit report;

Copies of the documents that are appended through reference are available from Bilia at telephone number +46- (0)31-709 55 00 and on the Company's website: www.bilia.se.