



7 February 2008

Fourth Quarter and Year-End Report 2007

Year-end 2007

- Net turnover amounted to SEK 15,405 M (14,056).
- Operating profit excluding items affecting comparability amounted to SEK 176 M (130).
- Net profit for the year was SEK 100 M (93) and earnings per share SEK 4.75 (4.15).
- The Board proposes a dividend of SEK 8.00 (8.00).

Fourth quarter

- Operating profit excluding items affecting comparability amounted to SEK 69 M (62).
- Net profit amounted to SEK 19 M (54) and earnings per share to SEK 0.95 (2.45).

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

“Operating profit before items affecting comparability improved compared with the same quarter last year. The improvement is attributable to the operations in Norway and Denmark. Moreover, the Parent Company's costs are lower than last year. We are increasing the rate of implementation of new processes in both car sales and the service business for increased efficiency and profitability.”

Group	Fourth quarter		Full year	
	2007	2006	2007	2006
Net turnover, SEK M	4,519	3,861	15,405	14,056
Operating profit excl. items affecting comparability, SEK M ¹⁾	69	62	176	130
Operating margin excl. items affecting comparability, %	1.5	1.6	1.1	0.9
Operating profit, SEK M	46	61	168	109
Operating margin, %	1.0	1.6	1.1	0.8
Profit before tax, excl. items affecting comparability, SEK M ¹⁾	57	63	150	132
Profit before tax, SEK M	34	69	142	118
Profit for the year from continuing operations, SEK M	19	54	100	88
Profit from discontinued operation, net after tax, SEK M	-	-	-	5
Net profit for the year, SEK M	19	54	100	93
Earnings per share, SEK ²⁾	0.95	2.45	4.75	4.15

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 15.

Notable events after the end of the third quarter

- Bilia's Board of Directors decided to sell properties in Denmark and Sweden. The sale is expected to be concluded by the end of the first quarter of 2008. One of the properties in the Swedish portfolio was sold on 8 January with a capital gain after tax of about SEK 5 M, which will be included in the final accounts for the first quarter of 2008.
- Bilia concluded an agreement with Bilforum Holding AS on the acquisition of all shares in Bilforum AS and Bilforum Finans AS. Bilforum is a well renowned and profitable car retailer that represents Volvo, Renault and Land Rover in the Stavanger area.

Events reported earlier during the year

- The main proceedings in the dispute between Bilia's subsidiary Säfveån and Pacta opened in the District Court of Gothenburg in October. The dispute stems from the business operation conducted by AB Probo (now Säfveån AB) in 1987. Säfveån insists that Pacta's claim is largely unfounded and the company contests any tort liability both on formal grounds, on the merits of the case and with regard to the amount claimed. The District Court will pronounce its judgement on 20 February 2008.
- In accordance with the decision of the AGM, the share capital was reduced in July by SEK 16,699,000 by the withdrawal of 1,669,900 own shares. The number of registered shares after the withdrawal amounts to 21,459,255.
- Acting on the authorisation of the AGM, the Board of Directors resolved to buy back the company's own shares. As of 31 December 2007, Bilia's holding of its own shares amounted to 1,000,000 shares, with an average price of SEK 115 per share. The Annual General Meeting has authorised the Board to acquire a total of 2,145,925 Bilia shares.

- Bilia's dealership in Kista in northern Stockholm stopped selling Kia in March.
- Bilia started a joint venture in March with DnB NOR in Norway under the name Bilia Lease.
- Bilia acquired the business in Bilgruppen i Enköping Sala AB and Bilgruppen i Kungsängen AB. The purchase price amounted to SEK 28 M and these operations have been part of the Bilia Group since June.
- Bilia acquired all the trading subsidiaries of Hans Persson Bil AB. The purchase price was SEK 329 M and these operations have been part of the Bilia Group since May.

Fourth quarter 2007

Demand for cars declined slightly at the end of the year while demand for service in Bilia's market areas was at a good level.

Net turnover during the quarter amounted to SEK 4,519 M (3,861). Adjusted for exchange rate changes and comparable operations, net turnover increased by SEK 165 M or 4 per cent. The increase is mainly attributable to increased sales of new cars.

Operating profit amounted to SEK 46 M (61). Items affecting comparability reduced the profit by SEK 23 M (reduction: 1). Operating profit excluding items affecting comparability improved by SEK 7 M, which is mainly attributable to better earnings in the Car Business and lower costs in the Parent Company.

Items affecting comparability (see table on page 4) amounted to a net of SEK -23 M (-1) during the quarter and consist of SEK -8 M (-1) in costs for disputes and SEK -15 M (-) in restructuring costs in Sweden and Norway.

Net financial items amounted to SEK -12 M (8). The figure includes the profit share from the indirect shareholding in Volvofinans in the amount of SEK 6 M (5). Last year's net financial items included gain from the sale of the shares in Viking Redningstjeneste in the amount of SEK 7 M. Acquisitions during the year, higher capital tied up in the business during the fourth quarter and a higher interest

rate level affected net financial items during the quarter.

Net profit amounted to SEK 19 M (54) and earnings per share to SEK 0.95 (2.45). Exchange rate changes only affected the profit marginally.

Total assets increased during the quarter by SEK 146 M to SEK 7,043 M. The increase is mainly attributable to increased sales of new cars during the quarter. Operating receivables and inventories increased by around SEK 260 M while leased vehicles decreased by SEK 118 M.

Equity increased during the quarter by SEK 21 M, amounting to SEK 1,507 M at the end of the quarter.

Investments and disposals amounted to SEK -2 M (3). Replacement investments represented SEK 24 M (7), expansion investments SEK 17 M (6), environmental investments SEK 2 M (2) and investments in new construction and additions to properties SEK 10 M (2). Net investments in leased vehicles and finance leases amounted to SEK -55 M (-14).

The number of employees decreased during the quarter by 45, amounting to 3,961.

Cash flow after net investments amounted to SEK -223 M (62). The decrease is mainly attributable to increased capital tied up in the business as an effect of increased sales of new cars and increased deliveries of new cars from the manufacturers in December. Net debt increased by SEK 247 M during the quarter to SEK 1,222 M.

Full year 2007

Overall demand for cars and service in Bilia's market areas was at a good level. The market for new cars increased in Sweden by 8 per cent, in Norway by 18 per cent and in Denmark by 4 per cent.

Net turnover amounted to SEK 15,405 M (14,056). Adjusted for exchange rate changes and comparable operations, net turnover increased by SEK 190 M or 1 per cent. The increase is mainly attributable to increased sales of new cars.

Operating profit amounted to SEK 168 M (109). Items affecting comparability reduced the profit by SEK 8 M (reduction: 21). The improvement compared with last year, excluding items affecting comparability, was SEK 46 M. Operations acquired during the year, Hans Persson and Bilgruppen, are included in the profit in the amount of SEK 9 M after acquisition costs. The Car Business reported a better profit than last year, mainly due to a higher margin in car sales. The Service Business reported a slightly lower profit due to implemented restructurings in Norway, which had a negative impact on the service operation.

Customer financing excluding gross profit attributable to rental income from long-term leasing of cars sold with repurchase agreements amounted to SEK 97 M (95).

Items affecting comparability (see table on page 4) amounted to a net of SEK -8 M (-21) and consist of SEK -18 M (-11) in restructuring costs in Sweden and Norway and SEK -12 M (-9) in costs for disputes, mainly the Swedish Competition Authority and Pacta. Furthermore, Bilia's Norwegian operation changed its pension plan from a defined-benefit to a defined-contribution plan for employees under 52 years of age, which increased the profit by SEK 22 M (-). Last year includes SEK -1 M in disposals.

Net financial items amounted to SEK -26 M (9). The figure includes the profit share from the indirect shareholding in Volvofinans in the amount of SEK 22 M (17). Last year's net financial items included the gain from the sale of the shares in Viking Redningstjeneste in the amount of SEK 7 M. Higher net debt and interest level resulted in higher interest expenses compared with last year.

Tax expense amounted to SEK -42 M (-30).

Net profit for the year was SEK 100 M (93) and earnings per share SEK 4.75 (4.15). Exchange rate changes only affected the profit marginally.

Total assets amounted to SEK 7,043 M (6,064). The acquisitions of Hans Persson and Bilgruppen increased total assets by about SEK 900 M.

Equity amounted to SEK 1,507 M (1,684). Equity was affected during the quarter by a cash dividend to the shareholders of SEK 172 M and a buy-back of own shares amounting to SEK 115 M. The proposed dividend of SEK 8.00 per share utilises SEK 164 M of Bilia's closing equity.

The equity/assets ratio amounted to 21 per cent (28).

Investments and disposals amounted to SEK -64 M (275). Replacement investments represented SEK 52 M (22), expansion investments SEK 48 M (45), environmental

investments SEK 4 M (4) and investments in new construction and additions to properties SEK 31 M (3). Net investments in leased vehicles and finance leases amounted to SEK -199 M (201).

Cash flow after net investments amounted to SEK -590 M (48). SEK -352 M (-107) was charged to cash flow for business acquisitions. The decrease compared with last year is mainly attributable to the last quarter, where capital tied up in the business increased due to increased sales of new cars. Net debt increased by SEK 1,253 M during the year, amounting to SEK 1,222 M at year-end.

Changes in equity

Group, SEK M	2007	2006
Opening balance	1,684	1,286
Cash dividend to shareholders	-172	-185
Spin-off of Catena ¹⁾	-	665
Buy-back of shares ²⁾	-115	-164
Translation difference, etc.	10	-11
Net profit for the year	100	93
Closing balance	1,507	1,684

¹⁾ 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.

²⁾ At the end of the fourth quarter of 2007, the holding of own shares amounted to 1,000,000 (1,669,900). The weighted average number of own shares during 2007 amounted to 1,370,243 (667,400).

Items affecting comparability

Group, SEK M	Fourth quarter		Full year	
	2007	2006	2007	2006
Operating profit excl. items affecting comparability	69	62	176	130
Items affecting comparability				
- Gain/loss from property sales	-	-	-	-1
- Structural costs etc.	-15	-	-18	-11
- Changed pension plan in Norway	-	-	22	-
- Disputes	-8	-1	-12	-9
Operating profit	46	61	168	109
Profit before tax excl. items affecting comparability	57	63	150	132
Items affecting comparability				
- Gain from property/share sales	-	7	-	6
- Structural costs etc.	-15	-	-18	-11
- Changed pension plan in Norway	-	-	22	-
- Disputes	-8	-1	-12	-9
Profit before tax	34	69	142	118

Cars

No. of new cars ¹⁾	Deliveries				Order backlog 31 December	
	Fourth quarter		Full year		2007	2006
	2007	2006	2007	2006		
Sweden ²⁾	7,283	5,199	23,336	21,231	2,991	2,507
Norway	1,866	1,942	6,459	5,644	1,231	692
Denmark	2,012	2,141	6,719	6,909	514	475
Total	11,161	9,282	36,514	33,784	4,736	3,674

¹⁾ As from the second quarter of 2007, transport vehicles are included in the reported number of units. The comparative figures have also been adjusted for transport vehicles.

²⁾ Hans Persson is included in deliveries for 2007 in the amount of 2,050 and in the order backlog in the amount of 302. Bilgruppen is included in deliveries for 2007 in the amount of 356 and in the order backlog in the amount of 36.

SEK M	Net turnover				Operating profit/loss, operating margin					
	Fourth quarter		Full year		Fourth quarter				Full year	
	2007	2006	2007	2006	2007	%	2006	%	2007	2006
Sweden	2,893	2,226	9,783	8,717	62	2.1	74	3.3	222	206
Norway	1,016	1,040	3,548	3,331	15	1.5	10	1.0	15	-5
Denmark	602	592	2,065	1,997	-1	-0.2	-5	-0.8	-11	-10
Total	4,511	3,858	15,396	14,045	76	1.7	79	2.0	226	191

- **Better earnings in Norway**
- **Lower order bookings**

The market for new cars increased during the quarter in Sweden by 20 per cent, in Norway by 10 per cent and in Denmark by 18 per cent.

Net turnover during the quarter amounted to SEK 4,511 M (3,858). Adjusted for exchange rate changes and comparable operations, net turnover increased by about SEK 159 M or 4 per cent. The increase is mainly attributable to increased sales of new cars.

Operating profit for Cars amounted to SEK 76 M (79). The Car Business reported a loss of SEK 1 M, which was an improvement of SEK 6 M. The improvement is mainly attributable to an increased volume of new cars. Order bookings slowed down towards the end of the year and the order backlog declined during the quarter by about 2,400 cars. The order backlog for comparable operations at year-end exceeds last year's level by about 20 per cent.

Earnings in the Service Business totalled SEK 77 M (86).

The operation in Sweden reported an operating profit of SEK 62 M (74). The decline is attributable to the Service Business, which did not reach last year's good level due to a slightly lower margin and higher costs. A new organisation was established during the quarter with central brand managers for Volvo, Ford and Renault. The objective is to increase the focus on the individual brands and improve coordination within each brand.

The work of merging the Hans Persson Group and the Ford company in Göteborg with Bilia Personbilar AB proceeded according to plan. The merger will be completed before the end of the first quarter of 2008.

Operating profit in Bilia's Norwegian operation amounted to SEK 15 M (10). The restructuring in the Oslo area, which has had a negative impact on operations and efficiency in the facilities, was completed in October. Earnings in the Service Business were considerably better than in the previous quarters and on a level with last year. The Car Business continued to develop favourably, and earnings improved by more than SEK 4 M over the same quarter last year. The total earnings improvement for the Car Business during the year was SEK 27 M, mainly due to increased volume and a higher margin in new and used car sales.

The Danish operation reported an operating loss of SEK 1 M (loss: 5). After a slow start at the beginning of the year, the Service Business has improved in the most recent quarters. Adopted measures have yielded results, but there is still potential to further boost workshop efficiency. The Car Business has historically been highly unprofitable, mainly due to the Danish tax system, which squeezes the dealer's margin. Within the next few years we will carry out changes in the facility structure and concentrate car sales to fewer facilities for the purpose of reducing the cost per car sold.

Cars - divided into Service and Car Businesses

SEK M	Net turnover ²⁾				Operating profit/loss ³⁾			
	Fourth quarter		Full year		Fourth quarter		Full year	
	2007	2006	2007	2006	2007	2006	2007	2006
Service Business ¹⁾	1,338	1,216	4,792	4,461	77	86	233	246
- margin, %					5.8	7.0	4.9	5.5
Car Business ¹⁾	3,472	2,910	11,388	10,325	-1	-7	-7	-55
- margin, %					-0.1	-0.2	-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⁾ Starting with the report for the first six months of 2007, the contribution has been replaced by an estimated operating profit/loss for the Service Business and the Car Business. Joint costs and acquisition costs have been divided between the Service Business and Car Business. All comparative figures have been adjusted.

- **Increased deliveries of new cars**
- **Higher used car stocks**

The Service Business's sales for comparable operations declined during the quarter by about 2 per cent. Norway and Denmark decreased by 1 and 12 per cent, respectively, while Sweden increased by 1 per cent. Operating profit declined by SEK 9 M due to the fact that Sweden did not reach last year's high level. The operation in Sweden reported a quarterly result that was better than previous quarters this year, while the margin was lower and costs were slightly higher compared with last year. Norway reported better earnings than in previous quarters and on a level with last year, and Denmark reported better earnings. We introduced a new working method in Denmark and Norway, called "RACE workshop", that had been developed in Sweden with very good results in terms of customer satisfaction and workshop efficiency. Analyses performed during the year show considerable potential in being able to sell more workshop hours by means of a changed working method.

The Car Business's deliveries of new cars increased during the quarter for comparable

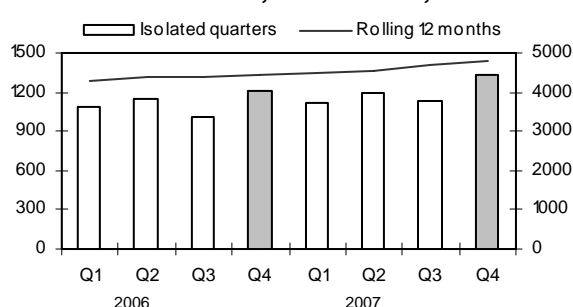
operations by 9 per cent at the same time as order bookings declined by 4 per cent, resulting in a decrease in the order backlog during the quarter.

Car turnover increased by 7 per cent for comparable operations. Earnings improved by SEK 6 M, amounting to a loss of SEK 1 M. The improvement compared to last year is mainly attributable to increased sales of new cars. Order bookings, which declined during the latter part of the year, continued to decline in the beginning of 2008 in Sweden and Denmark while they increased in Norway. The motor industry association in Sweden has reduced its forecast for the total market in 2008 in Sweden to 285,000 new cars (306,800), or by 7 per cent, which is still a good market situation.

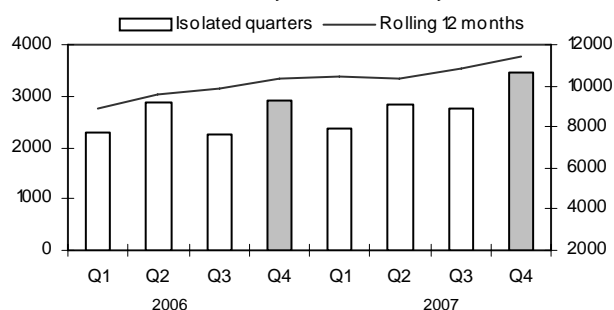
During the latter part of the year we introduced the successful working method RACE for new cars in Sweden as well, and we recently started the work with RACE for used cars in Norway and Sweden.

Stocks of used cars increased during the latter part of the year as an effect of increased sales of new cars during the last quarter. The used car stocks are too high, particularly in Sweden, so measures have been adopted to bring them down to a normal level quickly.

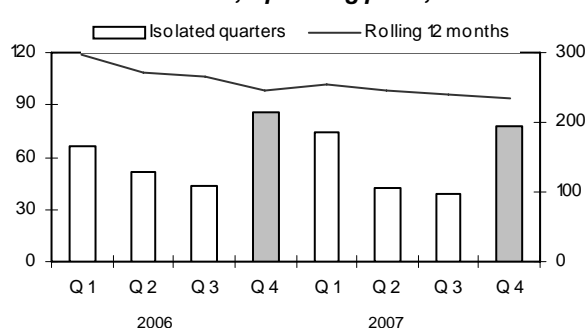
Service Business, Net Turnover, SEK M



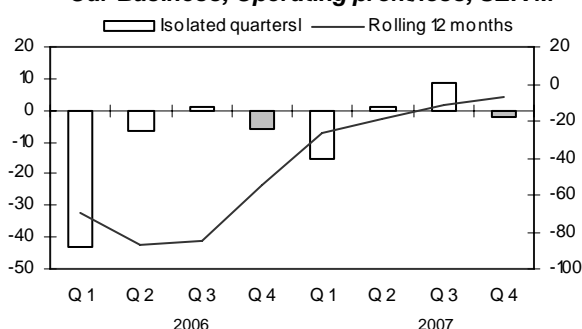
Car Business, Net Turnover, SEK M



Service Business, Operating profit, SEK M



Car Business, Operating profit/loss, SEK M



Discontinued operation, Properties

SEK M	Full year	
	2007	2006
Net turnover	-	45
Administrative expenses	-	29
Financial expenses	-	9
Profit before tax	-	7
Tax	-	-2
Profit from discontinued operation, net after tax	-	5
Earnings per share, SEK	-	0.25

There are no effects of discontinued operation on individual assets and liabilities in the Group.

Acquisition of operation 2008

Bilforum AS and Bilforum Finans AS

An agreement was signed in December 2007 to acquire Bilforum in Norway – which

represents Volvo, Renault and Land Rover in the Stavanger area – as of 1 January 2008 for SEK 65 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 Bilforum before acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	-	48	48
Property, plant and equipment	31	-	31
Long-term investments	5	-	5
Inventories	64	2	66
Trade receivables and other receivables	22	1	23
Cash and cash equivalents	1	-	1
Interest-bearing liabilities	39	-	39
Trade payables and other liabilities	53	17	70
Net identifiable assets and liabilities	31	34	65
Consolidated goodwill			-
Purchase consideration paid, cash			65
Cash, acquired			1
Net cash outflow			64

Acquired customer relations totalling SEK 48 M are recognised as intangible assets.

These customer relations will be amortised over 10 years.

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 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, acquired			6
Net cash outflow			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, acquired			-
Net cash outflow			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.

Acquisition of operation 2006

Tronrud Bil Holding AS

In February 2006, Bilia acquired Tronrud Bil Holding AS, Norway's largest BMW dealer, for SEK 83 M, which 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	200		6	206
Inventories	129		0	129
Trade receivables and other receivables	35		6	41
Cash and cash equivalents	18		-	18
Interest-bearing liabilities	52		-	52
Trade payables and other liabilities	317		11	328
Net identifiable assets and liabilities	18		46	64
Consolidated goodwill				19
Purchase consideration paid, cash				83
Cash, acquired				18
Net cash outflow				65

Goodwill arising in connection with the acquisition of Tronrud Bil Holding AS amounts to SEK 19 M. Acquired customer relations worth SEK 14 M, a distribution right worth SEK 17 M, a trademark worth SEK 9 M and a non-competition clause worth SEK 5 M are recognised as intangible assets.

Customer relations will be amortised over 5 years, the distribution right and trademark will be amortised over 10 years and the non-competition clause will be amortised over 6 years.

Acquisition of operation 2006

Michaelsson & Nelin AB

On 1 January 2006, Bilia acquired the operation in Michaelsson & Nelin AB, one of Sweden's largest used car dealers with

operation in Uppsala, for SEK 42 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 Michaelsson & Nelin AB before acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	-	7	7
Property, plant and equipment	1	-	1
Inventories	19	-	19
Trade receivables and other receivables	-	4	4
Trade payables and other liabilities	0	-	0
Net identifiable assets and liabilities	20	11	31
Consolidated goodwill			11
Purchase consideration paid, cash			42
Cash, acquired			-
Net cash outflow			42

Goodwill arising in connection with the acquisition of Michaelsson & Nelin AB amounts to SEK 11 M. Acquired customer relations of SEK 7 M are recognised as intangible assets and will be amortised over 5 years.

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 operating loss for the quarter amounted to SEK 7 M (loss: 16). Last year's loss includes SEK -1 M in costs for disputes. The improvement compared with last year is mainly attributable to the fact that certain central costs have been invoiced to the subsidiaries, as well as to a lower cost level during the quarter.

Dividend

The Board proposes a dividend of SEK 8.00 per share (8.00).

Proposed buy-back of own shares

The Board of Directors proposes that the AGM authorise the Board to resolve to buy back up to 10 per cent of the total number of shares at the time of the AGM on 17 April 2008 over the Stockholm Stock Exchange.

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.
- 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 illegal price collusion, claims for damages relating to previous business operations and the Parent Company's right to deduct certain costs when calculating income tax and VAT.
- 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 on financial markets has resulted in an increase in the cost of risk, which can affect the Bilia Group's borrowing cost.

Bilia works continuously with risk identification and risk assessment. For further information about the risks that affect the Group, please refer to the 2006 Annual Report.

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.

As from 1 January 2007, Bilia applies IFRS 7 Financial Instruments: Disclosure and Presentation and the Amendments to IAS 1 Presentation of Financial Statements. IFRS 7 does not entail any change in the accounting and measurement of financial instruments. However, there are certain new disclosure requirements compared with previous requirements according to IAS 32. IFRS 7 and the Amendments to IAS 1 have no effect on Bilia's Consolidated Income Statement, Balance Sheet, Cash Flow Statement or equity.

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 Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RR 32:06 Accounting for Legal Entities. The application of RR 32 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 Accounts 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 2008

The Annual General Meeting will be held on 17 April at 4 p.m. at the Elite Park Avenue Hotel in Göteborg.

The annual report for 2007 will be published on 19 March 2008 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 so request.

Next report

The interim report for the first quarter of 2008 will be published on 6 May 2008.

Göteborg, 7 February 2008

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	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
NET TURNOVER										
External net turnover	15,396	14,044	2	2	7	10				
Internal net turnover	0	1	-	-	23	20	-23	-21		
Total net turnover	15,396	14,045	2	2	30	30	-23	-21	15,405	14,056
PROFIT/LOSS										
Operating profit/loss by business segment	226	191	-8	-23	-50	-60	0	1	168	109
Net financial items by business segment	-68	-34	20	13	225	185	-203	-155	-26	9
Tax expense ²⁾									-42	-30
Profit from disposal of discontinued operation, net after tax									-	5
Net profit for the year									100	93
OTHER DISCLOSURES										
Assets, non-interest-bearing	6,451	5,470	13	13	45	35			6,509	5,518
Assets, interest-bearing	473	454	571	608	1,583	652			2,627	1,714
Eliminations							-2,093	-1,168	-2,093	-1,168
Total assets									7,043	6,064
Liabilities, non-interest-bearing	3,752	3,814	7	10	116	62			3,875	3,886
Liabilities, interest-bearing	2,466	1,495	3	3	1,307	162			3,776	1,660
Eliminations							-608	518	-608	518
Total equity and liabilities									7,043	6,064
Investments, net	-81	269	2	1	15	5				
Depreciation/amortisation	284	241	1	3	3	2				
Total depreciation/amortisation									288	246
Expenses beyond depreciation/amortisation not matched by disbursements ³⁾	25	26	-	-	1	2				

INFORMATION ON GEOGRAPHICAL SEGMENTS

Full year

SEK M	Net turnover		Assets		Investments	
	2007	2006	2007	2006	2007	2006
Sweden	9,783	8,717	3,913	2,725	90	108
Norway	3,548	3,331	2,114	2,401	-190	148
Denmark	2,065	1,997	897	798	19	13
Miscellaneous	2	2	584	621	2	1
Parent Company	30	30	1,628	687	15	5
Eliminations	-23	-21	-2,093	-1,168	-	-
Total Bilvia Group	15,405	14,056	7,043	6,064	-64	275

1) Other companies and items affecting comparability. Operating profit/loss includes items affecting comparability of SEK -8 M (-21). Net financial items includes items affecting comparability of SEK 7 M.

2) Pertains to unallocated tax expenses.

3) Items not affecting cash.

Consolidated Income Statement

SEK M	Fourth quarter		Full year	
	2007	2006	2007	2006
Continuing operations				
Net turnover	4,519	3,861	15,405	14,056
Costs of goods sold	3,853	3,260	13,021	11,869
Gross profit	666	601	2,384	2,187
Other operating revenues	1	5	23	11
Selling expenses	485	433	1,775	1,629
Administrative expenses	117	112	442	446
Other operating expenses	19	0	22	14
Operating profit ¹⁾	46	61	168	109
Financial income	2	9	12	16
Financial expenses	20	6	60	24
Shares in the earnings of associated companies	6	5	22	17
Net financial items	-12	8	-26	9
Profit before tax	34	69	142	118
Tax	-15	-15	-42	-30
Profit from continuing operations	19	54	100	88
Profit from discontinued operation, net after tax	-	-	-	5
Net profit for the year	19	54	100	93
Earnings per share, SEK	0.95	2.55	4.90	4.35
Number of shares at end of period, '000	20,459	21,459	20,459	21,459
Earnings per share, SEK	0.95	2.45	4.75	4.15
Weighted average number of shares, '000	20,459	21,547	21,064	22,462
¹⁾ Amortisation/depreciation acc. to plan by asset class				
- Intellectual property	6	3	20	14
- Land and buildings	6	1	9	3
- Equipment, tools, fixtures and fittings	19	19	79	77
- Leased vehicles	44	36	180	152
Total	75	59	288	246

Operating profit/loss by business segment

SEK M	Fourth quarter		Full year	
	2007	2006	2007	2006
Cars	76	79	226	191
Parent Company	-7	-16	-50	-60
Other, eliminations	-23	-2	-8	-22
Operating profit	46	61	168	109

Consolidated Balance Sheet

SEK M	31.12.07	31.12.06
Assets		
Non-current assets		
Intangible assets		
Intellectual property	133	86
Goodwill	124	91
	257	177
Property, plant and equipment		
Land and buildings	315	47
Construction in progress	15	0
Equipment, tools, fixtures and fittings	357	299
Leased vehicles ¹⁾	1,811	1,922
	2,498	2,268
Long-term investments		
Financial investments	248	196
Other long-term receivables ²⁾	32	27
Deferred tax assets	92	79
	372	302
Total non-current assets	3,127	2,747
Current assets		
Inventories, merchandise	2,529	1,995
Current receivables		
Interest-bearing receivables ²⁾	99	143
Other receivables	1,191	1,058
Cash and cash equivalents ²⁾	97	121
Total current assets	3,916	3,317
Total assets	7,043	6,064
Equity and liabilities		
Equity		
Share capital	215	231
Reserves	4	-6
Retained earnings including net profit for the year	1,288	1,459
Total equity	1,507	1,684
Non-current liabilities		
Interest-bearing liabilities ³⁾	717	142
Other liabilities and provisions ⁴⁾	1,437	1,390
	2,154	1,532
Current liabilities		
Interest-bearing liabilities ³⁾	669	104
Other liabilities and provisions	2,713	2,744
	3,382	2,848
Total equity and liabilities	7,043	6,064
Assets		
¹⁾ Of which interest-bearing	233	231
²⁾ Interest-bearing	228	291
Liabilities		
³⁾ Interest-bearing	1,386	246
⁴⁾ Of which interest-bearing	297	245

Consolidated Cash Flow Statement

SEK M	Fourth quarter		Full year	
	2007	2006	2007	2006
OPERATIONS				
Operating activities				
Operating profit	46	61	168	109
Financial items	-12	8	-26	9
Depreciation/amortisation and impairment losses	82	59	295	246
Other items not affecting cash	20	5	18	44
Tax paid	6	-7	-33	-40
Change in inventories	-75	-395	-293	-54
Change in operating receivables	-168	-234	1	-136
Change in operating liabilities	-124	574	-435	268
Cash flow from operating activities	-225	71	-305	446
Investing activities				
Investments and disposals in non-current assets	2	-3	64	-275
Interest-bearing receivables	-2	-5	3	-16
Business combinations	2	-1	-352	-107
Cash flow from investing activities	2	-9	-285	-398
Remaining after net investments	-223	62	-590	48
Financing activities				
Change in bank loans and other loans	243	85	802	499
Dividend to shareholders and share buy-back	-	-19	-287	-349
Cash and cash equivalents Catena	-	-	-	-18
Cash flow from financing activities	243	66	515	132
Change in cash and cash equivalents, excl. translation differences	20	128	-75	180
Exchange difference in cash and cash equivalents	-2	-4	4	-5
Change in cash and cash equivalents	18	124	-71	175
Cash and cash equivalents at end of period	169	134	258	83
Cash and cash equivalents at end of period	187	258	187	258

Quarterly review

Quarter

Group	1/06	2/06	3/06	4/06	1/07	2/07	3/07	4/07
Net turnover, SEK M	3,196	3,883	3,116	3,861	3,309	3,856	3,721	4,519
Operating profit, excluding items affecting comparability, SEK M	7	29	32	62	42	30	35	69
Operating margin, excluding items affecting comparability, %	0.2	0.8	1.0	1.6	1.3	0.8	0.9	1.5
Operating profit, SEK M	6	21	21	61	40	50	32	46
Operating margin, %	0.2	0.5	0.7	1.6	1.2	1.3	0.9	1.0
Profit before tax, SEK M	9	20	20	69	41	45	22	34
Profit from continuing operations, SEK M	5	16	13	54	31	34	16	19
Profit from discontinued operation, net after tax, SEK M	5	-	-	-	-	-	-	-
Net profit, SEK M	10	16	13	54	31	34	16	19
Rate of capital turnover, times ¹⁾	2.26	2.35	2.42	2.43	2.49	2.45	2.44	2.40
Return on capital employed, % ¹⁾	8.1	6.0	5.8	6.2	8.0	9.3	9.4	7.8
Return on equity, % ¹⁾	15.4	10.8	7.6	6.3	7.1	7.9	8.3	6.3
Net debt/equity, times	0.86	0.04	-0.01	-0.02	0.07	0.44	0.66	0.81
Equity/assets ratio, %	21	32	32	28	31	24	22	21
Data per share (SEK) ²⁾								
Net profit	0.45 ³⁾	0.70 ⁵⁾	0.55 ⁷⁾	2.45 ⁹⁾	1.45 ¹⁰⁾	1.55 ¹⁰⁾	0.80 ¹¹⁾	0.95
Equity	56 ⁴⁾	77 ⁶⁾	76 ⁸⁾	78 ¹⁰⁾	80 ¹⁰⁾	74 ¹⁰⁾	73	74

¹⁾ Rolling 12 months.

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

³⁾ Based on weighted average number of shares outstanding during first quarter, 23,129,074.

⁴⁾ Based on number of shares outstanding at 31 March 2006, 23,129,000.

⁵⁾ Based on weighted average number of shares outstanding during second quarter, 23,002,924.

⁶⁾ Based on number of shares outstanding at 30 June 2006, 22,632,600.

⁷⁾ Based on weighted average number of shares outstanding during third quarter, 22,188,763.

⁸⁾ Based on number of shares outstanding at 30 September 2006, 21,649,755.

⁹⁾ Based on weighted average number of shares outstanding during fourth quarter, 21,546,647.

¹⁰⁾ Based on number of shares outstanding at 31 December 2006, 31 March 2007 and 30 June 2007, 21,459,255.

¹¹⁾ Based on weighted average number of shares outstanding during third quarter 3, 20,889,145.

Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2007	2006	2007	2006
Net turnover	11	7	30	30
Administrative expenses	18	23	80	90
Operating loss ¹⁾	-7	-16	-50	-60
Result from financial items				
Result from interests in Group companies	172	137	203	156
Interest income Group companies	25	10	80	49
Other interest income and similar line items	0	1	2	4
Interest expenses to Group companies	4	1	20	5
Interest expenses and similar line items	16	4	40	19
Profit after financial items	170	127	175	125
Appropriations	-36	-34	-36	-34
Profit before tax	134	93	139	91
Tax	-30	-34	-29	-34
Net profit for the year	104	59	110	57
¹⁾ Amortisation/depreciation acc. to plan by asset class				
- Intellectual property	1	0	2	1
- Equipment, tools, fixtures and fittings	0	0	1	1
Total	1	0	3	2

Balance Sheet for Parent Company

SEK M	31.12.07	31.12.06
Assets		
Non-current assets		
Intangible assets		
Intellectual property	18	6
	18	6
Property, plant and equipment		
Equipment, tools, fixtures and fittings	2	2
	2	2
Long-term investments		
Interests in Group companies	943	909
Other securities held as non-current assets	0	0
Deferred tax asset	16	15
	959	924
Total non-current assets	979	932
Current assets		
Current receivables		
Receivables from Group companies	2,116	1,175
Other receivables	9	12
Cash and bank balances	60	81
Total current assets	2,185	1,268
Total assets	3,164	2,200
Equity and liabilities		
Equity		
Restricted equity		
Share capital	214	231
Statutory reserve	47	47
	261	278
Non-restricted equity		
Retained earnings	777	1,037
Net profit for the year	110	57
	887	1,094
Total equity	1,148	1,372
Untaxed reserves	70	34
Provisions		
Provisions for pensions and similar obligations	15	14
	15	14
Non-current liabilities		
Liabilities to credit institutes	698	125
Liabilities to Group companies	20	20
Other liabilities	5	5
	723	150
Current liabilities		
Liabilities to credit institutes	589	18
Liabilities to Group companies	573	584
Other liabilities	46	28
	1,208	630
Total equity and liabilities	3,164	2,200