



26 October 2006

## Report for the third quarter and the first nine months of 2006

### Third quarter

- Operating profit excluding items affecting comparability amounted to SEK 32 M (35).
- Profit before tax excluding items affecting comparability amounted to SEK 31 M (30).
- Cash flow amounted to SEK 192 M (268).

### Nine months

- Net turnover amounted to SEK 10,195 M (8,690).
- Net profit amounted to SEK 39 M (120) and earnings per share to SEK 1.70 (5.20).

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

“The profit is a step in the right direction compared with the outcome for the first six months. Sweden and Norway report earnings on a level with last year. The price adjustments for workshop jobs in Sweden during the second quarter had a positive effect on demand. Furthermore, an improved margin on used cars led to higher profits in the Car Business compared with the first six months.”

Group	Third quarter		Nine months		Oct. 05 - Sept. 06	Full year 2005
	2006	2005	2006	2005		
Net turnover, SEK M	<b>3,116</b>	2,851	<b>10,195</b>	8,690	13,579	12,074
Operating profit excl. items affecting comparability, SEK M <sup>1)</sup>	<b>32</b>	35	<b>68</b>	147	123	202
Operating margin excl. items affecting comparability, %	<b>1.0</b>	1.2	<b>0.7</b>	1.7	0.9	1.7
Operating profit, SEK M	<b>21</b>	32	<b>48</b>	139	103	194
Operating margin, %	<b>0.7</b>	1.1	<b>0.5</b>	1.6	0.8	1.6
Profit before tax excl. items affecting comparability, SEK M <sup>1)</sup>	<b>31</b>	30	<b>69</b>	143	124	198
Profit before tax, SEK M	<b>20</b>	27	<b>49</b>	135	104	190
Profit after tax but before profit from discontinued operation, SEK M	<b>13</b>	19	<b>34</b>	98	69	133
Profit from discontinued operation, net after tax, SEK M	-	30	<b>5</b>	22	40	57
Net profit, SEK M	<b>13</b>	49	<b>39</b>	120	109	190
Earnings per share, SEK <sup>2)</sup>	<b>0.55</b>	2.10	<b>1.70</b>	5.20	4.70	8.20

<sup>1)</sup> Items affecting comparability are shown on page 3.

<sup>2)</sup> The number of shares used in the calculation is shown in the table on page 12.

## Notable events during the third quarter

- Bilia is restructuring its operation in Göteborg and has decided to close a facility on Hisingen. Service work will continue to be carried out in the facility until the operation moves into a new, better facility on Norra Älvstranden. The closure cost is estimated at SEK 11 M, which has been charged to the profit for the third quarter. The restructuring is expected to boost annual earnings by about SEK 7 M, starting in 2007.

## Notable events during the first six months

- Bilia in Norway agreed to sell its shareholding in Viking Redningstjeneste AS with an estimated gain of SEK 10.8 M. The Norwegian competition authority ruled against the deal, but the matter was appealed to Fornyings- og administrationsdepartementet. The gain will be recognised if final 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.
- The Annual General Meeting (AGM) 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 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.

- Acting on the authorisation of the AGM, the Board of Directors resolved to buy back the company's own shares. As of 25 October 2006, Bilia's holding of its own shares amounted to 1,479,400 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 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.

## Third quarter 2006

Overall demand for new cars and service in Bilia's market areas was good. Demand for used cars increased during the quarter.

**Net turnover** during the quarter amounted to SEK 3,116 M (2,851). Adjusted for exchange rate changes and comparable operations, net turnover was unchanged.

**Operating profit** amounted to SEK 21 M (32). Items affecting comparability reduced the profit by SEK 11 M (reduction: 3). Both the Service and Car Businesses were strengthened during the quarter and were on a level with last year. The result from customer financing amounted to SEK 28 M (29).

**Items affecting comparability** (see table on page 3) amounted to minus SEK 11 M (-3) during the quarter and pertain to the closure cost for an operation in Göteborg of SEK 11 M (-). Last year includes costs of SEK 3 M for disputes. A property in Stuttgart was sold during the quarter for a purchase price of SEK 12 M. The loss amounted to SEK 1 M, which was recognised during the second quarter.

**Net financial items** amounted to SEK -1 M (- 5). This includes a profit share of SEK 5 M (4) from the shareholding in Volvofinans.

**Net profit** amounted to SEK 13 M (49) and earnings per share to SEK 0.55 (2.10). Exchange rate changes only affected the profit marginally. Last year's net profit includes SEK 30 M in profit from discontinued operation, Catena and Micro.

**Total assets** decreased during the quarter by SEK 228 M to SEK 5,245 M. The reduction is attributable to lower capital tied up in stocks of new and used cars.

**Equity** decreased during the quarter by SEK 83 M, amounting to SEK 1,654 SEK M at the end of the quarter. Equity was reduced during the quarter by a buy-back of own shares in the amount of SEK 94 M. The equity/assets ratio amounted to 32 per cent (23).

**Investments and disposals** amounted to SEK 81 M (121). Replacement investments represented SEK 2 M (12), expansion investments SEK 11 M (9), environmental investments SEK 0 M (1) and investments in new construction and additions to properties SEK 0 M (19). Net investments in leased vehicles and finance leases amounted to SEK 68 M (80).

**The number of employees** increased during the quarter by 40, amounting to 3,489. The increase is attributable to additional employees in the Service Business in Norway and Denmark.

**Cash flow** from operating activities amounted to SEK 192 M (268). Net debt decreased during the quarter by SEK 87 M, amounting to a net claim of SEK 17 M.

#### Changes in equity

Group, SEK M	Nine months		Full year
	2006	2005	2005
Opening balance	1,286	1,490	1,490
Change of accounting principle IAS 39	-	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>	-145	-	-
Translation difference, etc.	-6	17	16
Net profit	39	120	190
Closing balance	1,654	1,217	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 third quarter of 2006, the holding of own shares amounted to 1,479,400 (0). The weighted average number of own shares during the first nine months of 2006 amounted to 359,012.

#### Items affecting comparability

Group, SEK M	Third quarter		Nine months		Oct. 05 -	Full year
	2006	2005	2006	2005	Sept. 06	2005
<b>Operating profit excl. items affecting comparability</b>	<b>32</b>	35	<b>68</b>	147	123	202
Items affecting comparability						
- Gain/loss from property sales	-	0	-1	2	-1	2
- Structural costs etc.	-11	-	-11	-	-16	-5
- Catena	-	-	0	-	-3	-3
- Disputes	-	-3	-8	-10	0	-2
<b>Operating profit</b>	<b>21</b>	32	<b>48</b>	139	103	194
<b>Profit before tax excl. items affecting comparability</b>	<b>31</b>	30	<b>69</b>	143	124	198
Items affecting comparability						
- Gain/loss from property sales	-	0	-1	2	-1	2
- Structural costs etc.	-11	-	-11	-	-16	-5
- Catena	-	-	0	-	-3	-3
- Disputes	-	-3	-8	-10	0	-2
<b>Profit before tax</b>	<b>20</b>	27	<b>49</b>	135	104	190

## Cars

No. of new cars	Deliveries						Order backlog	
	Third quarter		Nine months		Oct. 05 - Sept. 06	Full year 2005	30 Sept.	
	2006	2005	2006	2005			2006	2005
Sweden	<b>3,938</b>	3,511	<b>15,114</b>	12,729	20,178	17,793	<b>2,504</b>	2,551
Norway <sup>1)</sup>	<b>1,081</b>	765	<b>3,412</b>	2,610	4,424	3,622	<b>695</b>	505
Denmark <sup>2)</sup>	<b>1,025</b>	1,093	<b>3,569</b>	1,857	5,189	3,477	<b>607</b>	356
<b>Total</b>	<b>6,044</b>	5,369	<b>22,095</b>	17,196	29,791	24,892	<b>3,806</b>	3,412

<sup>1)</sup> Tronrud is included in deliveries at the end of the third quarter of 2006 in the amount of 741 and in the order backlog at 30 September 2006 in the amount of 123.

<sup>2)</sup> Scaniadam is included in deliveries for the full year 2005 in the amount of 1,627 and for the first nine months of 2006 in the amount of 1,829.

SEK M	Net turnover						Operating profit/loss, operating margin							
	Third quarter		Nine months		Oct. 05 - Sept. 06	Full year 2005	Third quarter				Nine months		Oct. 05 - Sept. 06	Full year 2005
	2006	2005	2006	2005			2006	%	2005	%	2006	2005		
Sweden	<b>1,929</b>	1,804	<b>6,491</b>	6,140	8,697	8,346	<b>49</b>	<b>2.5</b>	47	2.6	<b>132</b>	169	197	234
Norway	<b>763</b>	561	<b>2,291</b>	1,680	2,904	2,293	<b>-1</b>	<b>-0.1</b>	0	0.0	<b>-15</b>	13	-14	14
Denmark	<b>424</b>	485	<b>1,405</b>	869	1,969	1,433	<b>-3</b>	<b>-0.7</b>	1	0.2	<b>-5</b>	4	-1	8
<b>Total</b>	<b>3,116</b>	2,850	<b>10,187</b>	8,689	13,570	12,072	<b>45</b>	<b>1.4</b>	48	1.7	<b>112</b>	186	182	256

- **Better earnings in Sweden**
- **Increased order backlog for new cars**

The market for new cars increased by 5 per cent in Sweden, 3 per cent in Norway and decreased by 4 per cent in Denmark. Demand for used cars increased during the quarter.

Net turnover amounted to SEK 3,116 M (2,850). Adjusted for exchange rate changes and comparable operations, turnover was unchanged.

Operating profit for Cars amounted to SEK 45 M (48). Earnings in the Car Business improved during the quarter, mainly due to a higher margin in sales of used cars as well as slightly improved margins in new car sales.

The operation in **Sweden** reported an operating profit of SEK 49 M (47). The price adjustments for workshop jobs that were implemented during the second quarter had a positive effect on demand during the quarter and the appointment situation improved. Earnings in the Car Business were slightly better compared with the same quarter last year, due mainly to a higher margin in sales of used cars. The start-up of

Netbil, a website for online used car auctions, charged quarterly earnings with SEK 3 M.

The operating loss in Bilia's **Norwegian** operation amounted to minus SEK 1 M (0). Efforts to increase workshop capacity during the year led to an increase in workshop turnover by 15 per cent during the quarter. Earnings in the Service Business were strengthened without reaching last year's level. A higher margin in car sales resulted in slightly better earnings in the Car Business. A total of SEK 4 M was charged to earnings during the quarter due to the acquisition of Tronrud, broken down into an operating loss of SEK 2 M and acquisition costs of SEK 2 M. The companies in the Tronrud Group have been merged into a single company, whose administration has been transferred to Bilia.

The **Danish** operation reported an operating loss of SEK 3 M (1). The fall in earnings is attributable to lower volume and a lower margin in sales of new cars. Order bookings were 28 per cent higher compared with last year, and the operation is entering the fourth quarter with a high order backlog.

## Cars - divided into Service and Car Businesses

SEK M	Third quarter		Net turnover <sup>2)</sup>		Oct. 05 - Sept. 06	Full year 2005	Third quarter		Contribution <sup>3)</sup>		Oct. 05 - Sept. 06	Full year 2005
	2006	2005	2006	2005			2006	2005	2006	2005		
Service Business <sup>1)</sup>	1,007	980	3,245	2,955	4,408	4,118	76	80	286	295	433	442
- margin, %							7.5	8.2	8.8	10.0	9.8	10.7
Car Business <sup>1)</sup>	2,257	1,979	7,415	6,060	9,821	8,466	11	14	-1	53	-10	44
- margin, %							0.5	0.7	0.0	0.9	-0.1	0.5

<sup>1)</sup> 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.

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

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

- Higher margin in car sales
- Higher demand for service

The Service Business's sales, adjusted for exchange rate changes and comparable operations, were unchanged. Norway increased by 10 per cent while Sweden and Denmark decreased by 2 and 4 per cent, respectively. The contribution decreased by SEK 4 M to SEK 76 M. Demand for workshop jobs increased in Sweden owing to previously implemented price adjustments, and appointments booked were at a historically high level in September. Efficiency at the new body and paint shop in Rislökka, Oslo, improved and was satisfactory at the end of the quarter. The concentration of body and paint repairs in Rislökka frees up space at other facilities, which will eventually increase service capacity in Norway. Demand for

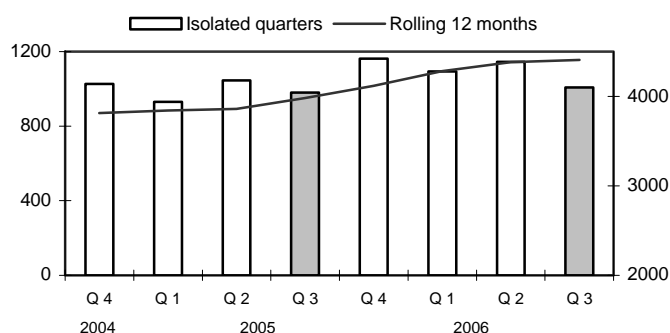
workshop services is good in Norway, but there is a shortage of workshop personnel.

The Car Business's deliveries of new cars increased by 4 per cent during the quarter for comparable operations while order bookings increased by 6 per cent, resulting in an increase in the order backlog. Car turnover increased by about 1 per cent for comparable operations and adjusted for exchange rate changes. The contribution amounted to SEK 11 M (14) and the contribution margin to 0.5 per cent (0.7). The margin on sales of used cars in particular improved during the quarter, resulting in a profit that was on a par with last year.

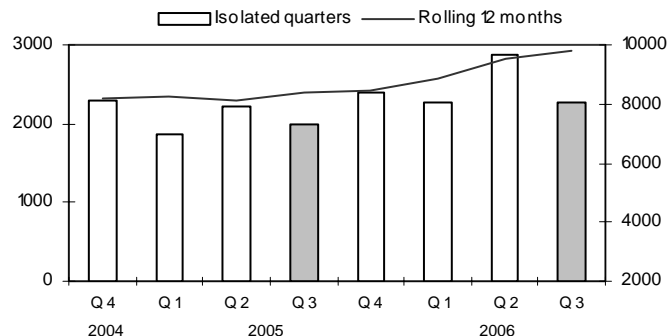
Stocks of new and used cars declined during the quarter and are at a satisfactory level overall. The turnover rate for used cars increased during the quarter and was on a par with the Group's goal of 8 times per year.

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

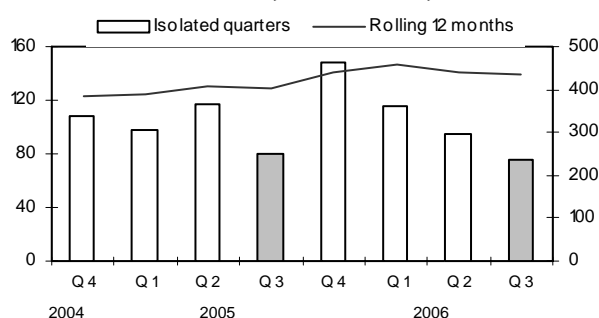
Service Business, Net Turnover, SEK M



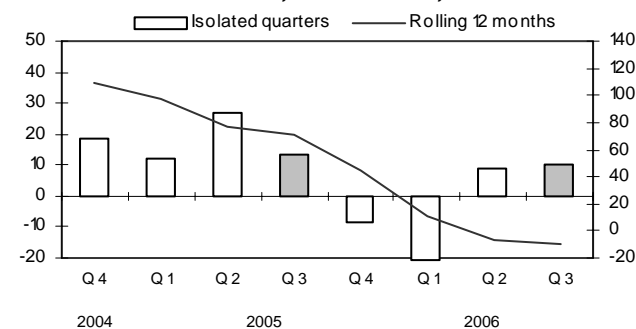
Car Business, Net Turnover, SEK M



Service Business, Contribution, SEK M



Car Business, Contribution, SEK M



## Discontinued operation, Micro

SEK M	Nine 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	-	1	1
Selling expenses	-	26	26
Administrative expenses	-	6	7
Other operating expenses	-	3	2
Financial expenses	-	1	1
<b>Loss before tax</b>	-	-16	-16
Tax	-	5	5
<b>Loss after tax but before loss from revaluation and disposal of discontinued operation</b>	-	-11	-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>	-	-51	-51
Loss per share, SEK	-	-2.20	-2.20

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

SEK M	Nine months		Full year
	2006	2005	2005
Property, plant and equipment	-	11	2
Long-term investments	-	22	8
Interest-bearing receivables	-	-	6
Other receivables	-	7	-
Cash and cash equivalents	-	-	-
Interest-bearing liabilities	-	46	-
Other liabilities	-	32	3
Trade payables	-	-	-
<b>Disposal of assets and liabilities, net</b>	-	-38	13

## Discontinued operation, Properties

SEK M	Nine months		Full year
	2006	2005	2005
Net turnover	45	163	221
Other operating revenues	-	30	51
Administrative expenses	29	85	128
Other operating expenses	-	1	-
Financial expenses	9	6	10
<b>Profit before tax</b>	<b>7</b>	<b>101</b>	<b>134</b>
Tax	-2	-28	-26
<b>Profit from discontinued operation, net after tax</b>	<b>5</b>	<b>73</b>	<b>108</b>
Earnings per share, SEK	0.25	3.15	4.70

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

SEK M	Nine months		Full year
	2006	2005	2005
Intangible assets	-	22	-
Property, plant and equipment	-	722	703
Long-term investments	-	7	6
Interest-bearing receivables	-	29	22
Other receivables	-	11	17
Cash and cash equivalents	-	0	0
Interest-bearing liabilities	-	202	23
Provisions	-	8	9
Other liabilities	-	168	177
Trade payables	-	15	13
<b>Disposal of assets and liabilities, net</b>	<b>-</b>	<b>398</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 debtors 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 rights (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 rights 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 13 M (15). Costs for disputes of SEK 4 M were included last year.

### 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 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, IAS 39 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.

### Next report

The report for the fourth quarter of 2006 will be published on 9 February 2007.

### Annual General Meeting 2007

The AGM will be held on 18 April 2007 at 4 p.m. at the Scandic Crown Hotel in Göteborg.

Göteborg, 26 October 2006

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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## **Review report**

### **Introduction**

We have reviewed the interim report for Bilia AB for the period 1 January 2006 to 30 September 2006. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim financial information based on our review.

### **Aim and scope of review**

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different aim and is substantially less in scope than an audit conducted in accordance with Standards on

Auditing in Sweden, RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Göteborg, 26 October 2006

KPMG Bohlins AB

Caj Nackstad

Authorised Public Accountant

## INFORMATION ON BUSINESS SEGMENTS

### Nine 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	10,186	8,689	1	2	8	-				
Internal net turnover	1	0	-	-	15	-	-16	-1		
Total net turnover	10,187	8,689	1	2	23	-	-16	-1	10,195	8,690
PROFIT/LOSS										
Operating profit/loss by business segment	112	186	-20	-1	-44	-47	0	1	48	139
Net financial items by business segment	-26	-13	3	3	43	5	-19	1	1	-4
Tax expense <sup>2)</sup>									-15	-37
Profit from disposal of discontinued operation, net after tax									5	22
Net profit									39	120
OTHER DISCLOSURES										
Assets, non-interest-bearing	4,749	4,011	26	768	59	64			4,834	4,843
Assets, interest-bearing	317	293	244	298	727	500			1,288	1,091
Assets held for sale									-	40
Eliminations							-877	-759	-877	-759
Total assets									5,245	5,215
Liabilities, non-interest-bearing	3,127	2,699	7	190	31	24			3,165	2,913
Liabilities, interest-bearing	1,234	917	3	213	24	570			1,261	1,700
Liabilities attributable to assets held for sale									-	78
Eliminations							819	524	819	524
Total equity and liabilities									5,245	5,215
Investments, net	269	190	-	47	3	4				
Depreciation/amortisation	183	150	3	1	1	1				
Total depreciation/amortisation									187	152
Expenses other than depreciation/amortisation not matched by disbursements <sup>3)</sup>	21	8	-	-	1	1				

## INFORMATION ON GEOGRAPHICAL SEGMENTS

### Nine months

SEK M	Net turnover		Assets		Investments	
	2006	2005	2006	2005	2006	2005
Sweden	6,491	6,140	2,597	2,876	98	181
Norway	2,291	1,680	1,771	1,509	165	51
Denmark	1,405	869	698	698	6	5
Other	1	2	270	70	-	-
Parent Company	23	-	786	564	3	4
Assets held for sale	-	-	-	40	-	-
Eliminations	-16	-1	-877	-542	-	-
Total Bilja Group	10,195	8,690	5,245	5,215	272	241

- 1) Other companies and items affecting comparability. Operating profit/loss includes items affecting comparability of SEK -18 M (0).  
2) Pertains to unallocated tax expenses.  
3) Items not affecting cash.

## Consolidated Income Statement

SEK M	Third quarter		Nine months		Oct. 05 -	Full year
	2006	2005	2006	2005	Sept. 06	2005
<b>Net turnover</b>	<b>3,116</b>	2,851	<b>10,195</b>	8,690	13,579	12,074
Costs of goods sold	<b>2,620</b>	2,388	<b>8,609</b>	7,265	11,438	10,094
<b>Gross profit</b>	<b>496</b>	463	<b>1,586</b>	1,425	2,141	1,980
Other operating revenues	<b>3</b>	0	<b>6</b>	1	7	2
Selling expenses	<b>367</b>	334	<b>1,196</b>	993	1,590	1,387
Administrative expenses	<b>100</b>	98	<b>334</b>	296	433	395
Other operating expenses	<b>11</b>	-1	<b>14</b>	-2	22	6
<b>Operating profit <sup>1)</sup></b>	<b>21</b>	32	<b>48</b>	139	103	194
Financial income	<b>1</b>	4	<b>7</b>	14	18	25
Financial expenses	<b>7</b>	9	<b>18</b>	18	29	29
Shares in the earnings of associated companies	<b>5</b>	-	<b>12</b>	-	12	-
Net financial items	<b>-1</b>	-5	<b>1</b>	-4	1	-4
<b>Profit before tax</b>	<b>20</b>	27	<b>49</b>	135	104	190
Tax	<b>-7</b>	-8	<b>-15</b>	-37	-35	-57
<b>Profit after tax but before profit from discontinued operation</b>	<b>13</b>	19	<b>34</b>	98	69	133
Profit from discontinued operation, net after tax	<b>-</b>	30	<b>5</b>	22	40	57
<b>Net profit</b>	<b>13</b>	49	<b>39</b>	120	109	190
Earnings per share, SEK	<b>0.65</b>	2.10	<b>1.80</b>	5.20	4.80	8.20
Number of shares at end of period, '000	<b>21,650</b>	23,129	<b>21,650</b>	23,129	21,650	23,129
Earnings per share, SEK	<b>0.55</b>	2.10	<b>1.70</b>	5.20	4.70	8.20
Weighted average number of shares, '000	<b>22,189</b>	23,129	<b>22,770</b>	23,129	22,861	23,129

1) Amortisation/depreciation acc. to plan by asset class						
- Intellectual property	<b>4</b>	4	<b>11</b>	5	13	7
- Land and buildings	<b>1</b>	0	<b>2</b>	0	3	1
- Equipment, tools, fixtures and fittings	<b>18</b>	14	<b>58</b>	45	76	63
- Leased vehicles	<b>36</b>	34	<b>116</b>	102	158	144
Total	<b>59</b>	52	<b>187</b>	152	250	215

## Operating profit/loss by business segment

SEK M	Third quarter		Nine months		Oct 05 -	Full year
	2006	2005	2006	2005	Sept. 06	2005
Cars	<b>45</b>	48	<b>112</b>	186	182	256
Parent Company	<b>-13</b>	-15	<b>-44</b>	-47	-61	-64
Other, eliminations	<b>-11</b>	-1	<b>-20</b>	0	-18	2
<b>Operating profit</b>	<b>21</b>	32	<b>48</b>	139	103	194

## Consolidated Balance Sheet

SEK M	30.09.06	31.12.05	30.09.05
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	89	48	48
Goodwill	102	62	62
	191	110	110
<b>Property, plant and equipment</b>			
Land and buildings	45	736	714
Construction in progress	5	30	10
Equipment, tools, fixtures and fittings	298	273	272
Leased vehicles <sup>1)</sup>	1,806	1,751	1,502
	2,154	2,790	2,498
<b>Long-term investments</b>			
Financial investments	192	176	172
Other long-term receivables <sup>2)</sup>	22	20	20
Deferred tax assets	64	58	55
	278	254	247
<b>Total non-current assets</b>	<b>2,623</b>	<b>3,154</b>	<b>2,855</b>
<b>Current assets</b>			
Inventories, merchandise	1,627	1,850	1,512
<b>Current receivables</b>			
Interest-bearing receivables <sup>2)</sup>	76	22	48
Other receivables	856	857	722
Cash and cash equivalents <sup>2)</sup>	63	63	38
Assets held for sale	-	16	40
<b>Total current assets</b>	<b>2,622</b>	<b>2,808</b>	<b>2,360</b>
<b>Total assets</b>	<b>5,245</b>	<b>5,962</b>	<b>5,215</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	231	231	231
Reserves	5	5	116
Retained earnings including net profit for the year	1,418	1,050	870
<b>Total equity</b>	<b>1,654</b>	<b>1,286</b>	<b>1,217</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities <sup>3)</sup>	29	241	597
Other liabilities and provisions <sup>4)</sup>	1,525	1,534	1,434
	1,554	1,775	2,031
<b>Current liabilities</b>			
Interest-bearing liabilities <sup>3)</sup>	115	748	110
Other liabilities and provisions	1,922	2,150	1,779
Liabilities attributable to assets held for sale	-	3	78
	2,037	2,901	1,967
<b>Total equity and liabilities</b>	<b>5,245</b>	<b>5,962</b>	<b>5,215</b>
Assets			
<sup>1)</sup> Of which interest-bearing	240	238	262
<sup>2)</sup> Interest-bearing	161	105	106
Liabilities			
<sup>3)</sup> Interest-bearing	144	989	707
<sup>4)</sup> Of which interest-bearing	240	238	236

## Consolidated Cash Flow Statement

SEK M	Third quarter		Nine months		Oct. 05 -	Full year
	2006	2005	2006	2005	Sept. 06	2005
<b>OPERATIONS</b>						
<b>Operating activities</b>						
Operating profit	21	32	48	139	103	194
Financial items	-1	-5	1	-4	1	-4
Depreciation/amortisation and impairment losses	59	52	187	152	255	220
Other items not affecting cash	15	29	39	37	45	43
Tax paid	-2	1	-33	-107	-78	-152
Change in inventories	217	180	341	82	24	-235
Change in operating receivables	28	26	98	105	-94	-87
Change in operating liabilities	-145	-47	-306	-173	73	206
<b>Cash flow from operating activities</b>	<b>192</b>	268	<b>375</b>	231	329	185
<b>Investing activities</b>						
Investments and disposals in non-current assets	-81	-121	-272	-241	-297	-266
Interest-bearing receivables	0	109	-11	50	-31	30
Business combinations	0	-	-106	-70	-110	-74
Disposals	-	22	-	44	48	92
<b>Cash flow from investing activities</b>	<b>-81</b>	10	<b>-389</b>	-217	-390	-218
<b>Remaining after net investments</b>	<b>111</b>	278	<b>-14</b>	14	-61	-33
<b>Financing activities</b>						
Change in bank loans and other loans <sup>1)</sup>	17	-302	414	370	462	418
Redemption, subordinated shares	-	-	-	-377	-	-377
Dividend to shareholders and share buy-back	-94	-	-330	-173	-330	-173
Cash and cash equivalents Catena	-	-	-18	-	-18	-
<b>Cash flow from financing activities</b>	<b>-77</b>	-302	<b>66</b>	-180	114	-132
<b>Change in cash and cash equivalents, excl. translation differences</b>	<b>34</b>	-24	<b>52</b>	-166	53	-165
Exchange difference in cash and cash equivalents	0	0	-1	2	-1	2
<b>Change in cash and cash equivalents</b>	<b>34</b>	-24	<b>51</b>	-164	52	-163
Cash and cash equivalents at start of year	83	246	83	246	83	246
Cash and cash equivalents at end of period	117	222	134	82	135	83

<sup>1)</sup> The change in loans was affected by the repayment of loans from Catena, which was spun off and distributed to Bilia's shareholders during the second quarter of 2006. The net amount in the Cash Flow Statement, SEK 414 M, includes amongst others Catena's repayment of loans, SEK 1.6 billion, and Bilia's amortisation of external loans.

## Quarterly review

## Quarter

Group	Restated acc. to IFRS			Quarter					3/06
	4/04	1/05	2/05	3/05	4/05	1/06	2/06		
Net turnover, SEK M	3,180	2,690	3,149	2,851	3,384	3,196	3,883	<b>3,116</b>	
Operating profit, excluding items affecting comparability, SEK M	79	37	75	35	55	7	29	<b>32</b>	
Operating margin, excluding items affecting comparability, %	2.5	1.4	2.4	1.2	1.6	0.2	0.8	<b>1.0</b>	
Operating profit, SEK M	76	35	72	32	55	6	21	<b>21</b>	
Operating margin, %	2.4	1.3	2.3	1.1	1.6	0.2	0.5	<b>0.7</b>	
Profit before tax, SEK M	68	36	72	27	55	9	20	<b>20</b>	
Profit after tax but before profit/loss from discontinued operation, SEK M	50	29	50	19	35	5	16	<b>13</b>	
Profit/loss from discontinued operation, net after tax, SEK M	-8	-21	13	30	35	5	-	-	
Profit for the period, SEK M	42	8	63	49	70	10	16	<b>13</b>	
Rate of capital turnover, times <sup>1)</sup>	2.60	2.45	2.33	2.36	2.28	2.26	2.35	<b>2.42</b>	
Return on capital employed, % <sup>1)</sup>	18.3	16.0	14.1	11.1	10.0	8.1	6.0	<b>5.8</b>	
Return on equity, % <sup>1)</sup>	16.6 <sup>3)</sup>	14.0	15.2	13.8	15.8	15.4	10.8	<b>7.6</b>	
Net debt/equity, times	0.28 <sup>3)</sup>	0.44	0.70	0.47	0.69	0.86	0.04	<b>-0.01</b>	
Equity/assets ratio, %	22 <sup>3)</sup>	25	21	23	22	21	32	<b>32</b>	
<b>Data per share (SEK) <sup>2)</sup></b>									
Profit for the period	1.80	0.35	2.75	2.10	3.00	0.45 <sup>4)</sup>	0.70 <sup>6)</sup>	<b>0.55</b> <sup>8)</sup>	
Equity	48 <sup>3)</sup>	55	51	53	56	56 <sup>5)</sup>	77 <sup>7)</sup>	<b>76</b> <sup>9)</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.

<sup>8)</sup> Based on weighted average number of shares outstanding during third quarter, 22,188,763.

<sup>9)</sup> Based on number of shares outstanding at 30 September 2006, 21,649,755.