



BILIA WINS TAX DISPUTE

From the late 1980s until the liquidation in 2008, Bilia operated in the Netherlands via a Dutch subsidiary. The total losses amounted to EUR 34.7 M. During 2006, the Swedish parent company paid a group contribution of SEK 313.6 M to cover the loss in the Dutch company. The Swedish Tax Agency denied the company tax deduction for the group contribution.

The Administrative Court in Gothenburg (Sw. Förvaltningsrätten i Göteborg) held, i.a. with reference to precedents from the Swedish Supreme Administrative Court (Sw. Högsta förvaltningsdomstolen) and the European Court of Justice, that Bilia's subsidiary Sevonia AB is entitled to a deduction for paid group contribution amounting to SEK 313.6 M. The deduction will result in a reduced tax cost for Bilia amounting to a total of SEK 82 M.

The Swedish Tax Agency has the possibility to appeal the judgment to the Administrative Court of Appeal in Gothenburg (Sw. Kammarrätten i Göteborg) on 24 May 2011 at the latest.

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Bilia AB (publ)

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