

ABG Sundal Collier

Preliminary 2011 results

Oslo, 13 February 2012

Q4 Highlights

- Q4 Total Revenues were NOK 249 m vs. NOK 413m last year, a decrease of 39.8%. For 2011, Total Revenues were NOK 961 m vs. NOK 1,295m last year, a decrease of 25.9%.
- Q4 2011 Earnings per Share were NOK 0.08 vs. NOK 0.21 in the same period last year. For the full year EPS were NOK 0.30 vs. NOK 0.66 in 2010.
- In light of the net result, current market conditions and an analysis of the requirement to maintain a strong balance sheet, the Board proposes a payment to shareholders of NOK 0.50 per share for 2011 (NOK 0.85 per share for 2010).
- Several ratings have been published lately where ABGSC have obtained strong positions as the #2 in Prospera's ranking of Research in Sweden, #1 on Sales in Kapital's Norwegian ranking as well as the #1 and #3 positions in Prospera's semi-annual corporate finance surveys for Norway and Sweden, respectively.

Summary Financial Data

Operating data and key ratios

	Q4	Q4	Year	Year	Year
	2011	2010	2011	2010	2009
Pre-tax income (in NOK 1,000)	43,091	131,434	168,872	400,540	284,800
Earnings per share (in NOK) (1)	0.08	0.21	0.30	0.66	0.53
Compensation / Income ratio (2)	58.9%	55.5 %	54.8%	53.8 %	49.4 %
Pre-tax pre bonus profit margin (3)	31.6%	54.8 %	31.1%	57.5 %	54.0 %
Operating cost / Income ratio (4)	72.6%	49.1 %	70.0%	45.8 %	49.3 %
Total cost / Income ratio (5)	86.9%	72.1 %	83.4%	72.4 %	75.2 %
Book value per share (in NOK) (6)	2.90	3.25	2.90	3.25	3.15
Return on Equity (12 months) (7)	9.5%	23.2 %	9.5%	23.2 %	18.5 %
Average number of shares in 1,000 (8)	468,326	456,922	464,796	450,253	422,847
Shares outstanding end of period	417,670	388,924	417,670	388,924	375,343
Forward contracts for shares outstanding end of peric	51,539	67,639	51,539	67,639	55,767
Number of employees at period end	293	296	293	296	264

(1) Net result for the period + interest element in forward contracts divided by the average number of shares

(2) Personnel expenses plus bonus expense and profit to partners as a percentage of operating revenues

(3) Earnings before tax adjusted for bonus expense and profit to partners as a percentage of operating revenues

(4) Operating expenses as a percentage of operating revenues

(5) Total expenses including bonus expense and profit to partners as a percentage of operating revenues

(6) Book equity at end of period divided by the total number of shares (adjusted for treasury shares)

(7) Net result for the last 12 month period as a percentage of average shareholders' equity.

(8) Adjusted for treasury shares and shares on forward contracts

Nordic Equity Markets Review

Following its steep decline in Q3, the MSCI Nordic index increased 8.5% in Q4, outperforming the MSCI AC World index (+7.5%). The index reached its nadir at the beginning of October and was then followed by a period of strong performance, with most of the quarter's gains occurring in October. News flow from the euro zone turned more upbeat at the beginning of the quarter, with the regions' political leaders agreeing a 50% write down of Greek debt with private banks, an expansion of the EFSF, and increased capital requirements for banks. However, the market did not take comfort for long as confidence in the political leaders rapidly deteriorated again, evidenced by rising interest on Italian and Spanish government bonds, for example. An eventful and volatile couple of months closed the year; several changes took place in the political arena and the world's major central banks acted in a coordinated effort by lowering borrowing costs thereby improving liquidity in the financial system and most of the EU nations agreed on an inter-governmental treaty with tougher budgetary rules.

On the macroeconomic front, a divergence between Europe and the US occurred during the quarter; European readings continued to deteriorate, while US macro data showed signs of improvement and generally exceeded expectations. Meanwhile, Chinese macro data weakened somewhat and the rate of inflation slowed, leaving room for monetary easing. The ECB lowered its key interest rate by 50bps and the Riksbank and Norges Bank lowered their corresponding rates by 25bps and 50bps, respectively.

The Norwegian market (+10.5%) was the strongest in the Nordics, followed by Denmark (+10.0%), Sweden (+8.8%), and Finland (+2.7%). The Q3 earnings season was relatively good with close to 60% of the companies beating expectations, while full-year revisions mostly were negative.

On a sector level, Energy (Lundin Petroleum +44%, DNO International +37% and Golar LNG +36%), Industrials (Outotec +35%, Metso +30% and Cargotec +25%) and Health Care (GN Store Nord +41%, Novo Nordisk +19% and Getinge +16%) outperformed, while Utilities (Fortum -7%), Information Technology (Nokia -11%) and Financials (Sydbank -9%, Danske Bank -7% and Nordea Bank -5%) underperformed.

Trading volumes deteriorated compared to the same period last year. Measured in NOK, the traded volume on the Nordic stock exchanges (ex. MTFs) fell by 11% in Q4 compared to Q4 2010.

Markets Division

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
(Amounts in NOK 1,000)								
Operating revenues	205,717	175,441	140,470	189,989	164,386	151,051	99,711	121,334
Operating Cost	91,927	83,124	97,621	138,450	117,672	116,915	121,639	136,457
Pre Bonus EBIT	113,790	92,317	42,850	51,540	46,714	34,136	-21,928	-15,123
Headcount	100	97	100	105	110	105	106	106

Although being down significantly compared with the same period in 2010 (-43%) Markets saw a sequential improvement in revenues in Q4 (+22%vs Q3) which was driven by higher activity levels in all our geographies. The underlying cost level has been flat to slightly declining since the first half of 2011, but both Q3 and Q4 have included non-recurring operating costs. In tough

markets we continue to gain market share in Sweden and keep our strong position internationally, especially in London, but also in Norway, the US and continental Europe.

Within Equity Sales & Trading, the UK was the largest contributor to revenue closely followed by Sweden. Norway is still suffering from low trading activity within some client groups, but we note that our relative market share in Norway continues to be high, which is positive. The US suffers from weak investor appetite for European equities, but our relative position remains robust. Frankfurt and Gothenburg are relatively new offices and they continue to develop according to plan. Denmark was stable, although the business is relatively small compared to other offices.

Client rankings have improved with several institutions and agencies. For Research, Sweden was ranked #2 overall in Prospera's annual survey in November and even more importantly #1 on case research. In Norway, we are ranked #5, albeit very close to #4, which is an improvement compared with last year and a step in the right direction to reclaim a top-3 position. We also note that in the recent Kapital ranking in Norway we are now ranked #1 for Sales.

Our corporate access offering continues to deliver interesting events. During Q4, we worked closely with our clients to ensure access to the most interesting companies in the Nordic space through a variety of forums. We held five seminars, including the well-attended Engineering Vision event in Stockholm; arranged over 100 road shows and special events; and hosted 33 investor trips, including tours in South Africa and India. This year, our priority will be on maintaining our strong corporate access presence in Scandinavia whilst increasing the number of road shows we host in our key international markets. In February, our annual Oil Services Conference in London will once again be an ideal meeting place for investors and companies.

Despite tough markets, we have several on-going initiatives in areas where we see revenue potential. Generally, activity is high in H1 for both marketing and corporate road shows and events. We are cautious of expanding our headcount in general, but towards the end of 2011 we added senior capacity to both Sales and Research to further enhance the service we provide.

Investment Banking Division

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
(Amounts in NOK 1,000)								
Operating revenues	123,460	112,418	125,422	222,537	103,535	105,778	87,676	127,281
Operating Cost	36,891	38,710	42,473	64,361	42,717	47,224	45,639	43,914
Pre Bonus EBIT	86,569	73,708	82,949	158,176	60,818	58,554	42,037	83,367
Headcount	64	67	69	69	67	67	66	65

Revenues from the Investment Banking Division were NOK 127m in Q4 2011, 42.8% lower than in Q4 2010. The majority of revenues were sourced from M&A and refinancing activities as conditions for raising capital continued to be impacted by relatively high volatility. Our M&A pipeline is solid and market volatility decreased towards the end of 2011 and over the first weeks of 2012 improving the environment for fundraisings, however, outlook visibility for the rest of the year remains limited.

Transactions completed in Q4 2011 included Nordic private equity firm EQT's acquisition of Norway's second largest data and telecom provider, Ventelo. ABGSC acted as advisor to EQT in the process.

ABGSC advised A-pressen in the acquisition of Edda Media from the British media conglomerate Mecom Group. Edda Media's product portfolio comprises 36 local newspapers (dailies, weeklies and free-sheets) in Norway in addition to 45 websites and print plants.

Software licencing and consulting company Inmeta Crayon was acquired by Norvestor Equity in the quarter. ABGSC acted as sole financial advisor to Inmeta Crayon in relation to the transaction.

The sale of Norlandia Care, a leading private provider of healthcare services in the Nordic region, to ACEA was concluded in Q4 2011. ABGSC acted as advisor to the sellers, represented by FSN Capital, in the process.

ABGSC advised Investinor on its investment in Alpinco which was announced in December 2011. Alpinco targets to develop as a leading player within the Norwegian Travel & Leisure segment, with the aim to consolidate 3-5 Norwegian skiing destinations in the coming years.

Also in Q4, ABGSC advised Sevan Marine in relation to a comprehensive financial restructuring involving multiple stakeholders. Sevan Marine is an oil service company focusing on FPSOs based on its specialized cylindrical floater technology.

Financial Review

Revenues in Q4 improved compared to Q3, but were weaker than last year. The Q4 revenue decrease of 40% is a reflection of the high activity level towards the end of 2010 and the slowdown of the primary and secondary capital markets activity during the second half of 2011.

The cost decreased compared to Q4 last year due to non-recurring cost in 2010 being at a higher level than in 2011. Total operating cost in Q4 2011 of NOK 180m include non-recurring costs of NOK 28m related to loan losses and restructuring. The underlying increase in costs and headcount we have experienced during 2011 have tapered off and we expect a gradual decline in our cost base based on selective reduction of headcount in combination with other cost saving measures.

Total operating costs for the year came in at NOK 672m compared to NOK 594m in 2010. The costs for 2011 included net non-recurring items of NOK 40m compared to total non recurring costs of NOK 10 million for 2010. The underlying cost increase is mainly due to increases in the number of staff.

The current target for 2012 is to establish an annual cost base of NOK 600 million based on the existing business model. The target level is expected to be reached gradually towards the middle of 2012 as implemented efforts take effect.

Allocation to bonuses and profit sharing to employees and partners amounted to NOK 130m for 2011 compared to NOK 345m for 2010.

Net financial income in Q4 was NOK 10m (NOK 16m in Q4 2010). Pre-tax profit was NOK 43m in Q4 and NOK 169m for 2011 as a whole. The modest tax charges of NOK 9m in Q4 reflects special tax effects related to hedging arrangements where the loss leg of a transaction has been taxable whereas the profit making leg has been tax exempt as well as other non-recurring tax effects. Net profit was NOK 35m in the quarter (NOK 91m in Q4 2010) and NOK 123m for the full year (NOK 279m in 2010). EPS was NOK 0.08 per share in Q4 and NOK 0.30 per share for the full year.

Our balance sheet position remains strong and we consider ourselves to have capital strength and a liquidity position that is comfortable. Consequently, the Board proposes a payment to shareholders of NOK 0.50 per share, somewhat in excess of 2011 earnings. The group capital adequacy ratio is 4.0 times the regulatory requirement. The pro-forma capital ratio post payment to shareholders would be 3.2 times the required minimum.

ABG SUNDAL COLLIER GROUP
Income statement

Amounts in NOK 1,000	% change			% change		
	Q4 2011	Q4 2010	Year 2011	Year 2010	Year 2009	Year 2009
Operating revenues						
Brokerage revenues	117,911	157,837	-25.3 %	524,768	609,025	-13.8 %
Corporate Finance revenues	130,705	255,003	-48.7 %	435,984	686,744	-36.5 %
Other revenues	-	-	-	-	-	-
Total operating revenues	248,616	412,840	-39.8 %	960,752	1,295,769	-25.9 %
Operating expenses						
Salaries and related expenses	(110,799)	(134,155)	-17.4 %	(397,265)	(351,818)	12.9 %
Other operating expenses	(65,127)	(64,514)	0.9 %	(257,988)	(223,306)	15.5 %
Depreciation	(4,445)	(4,142)	7.3 %	(16,925)	(18,432)	-8.2 %
Total operating expenses	(180,371)	(202,811)	-11.1 %	(672,178)	(593,556)	13.2 %
EBIT Pre-bonus and profit to partners	68,244	210,030	-67.5 %	288,574	702,213	-58.9 %
Bonus and profit to partners	(35,567)	(94,968)	-62.5 %	(129,538)	(344,835)	-62.4 %
EBIT Post-bonus and profit to partners	32,677	115,062	-71.6 %	159,037	357,378	-55.5 %
Net financial result	10,414	16,372		9,835	43,162	
Pre-tax income	43,091	131,434	-67.2 %	168,872	400,540	-57.8 %
Taxes	(8,520)	(40,906)	-79.2 %	(46,255)	(121,760)	-62.0 %
Net result for the period	34,571	90,528	-61.8 %	122,617	278,779	-56.0 %
Diluted earnings per share (in NOK)	0.08	0.21		0.30	0.66	
Basic earnings per share (in NOK)	0.08	0.23		0.30	0.73	

Statement of comprehensive income

Net result for the period	34,571	90,528		122,617	278,779	205,244
Other comprehensive income						
Exchange differences on translating foreign operation	8,710	(57)		6,816	6,164	(45,693)
Hedging of investment in foreign subsidiaries	(9,747)	765		(6,768)	(3,113)	50,822
Valuation of available for sale financial assets	-	-		-	-	1,325
Income tax relating to other comprehensive income	2,729	(214)		1,895	872	(14,230)
Other comprehensive income	1,692	494		1,943	3,923	(7,776)
Total comprehensive income for the period	36,263	91,022		124,561	282,702	197,468

Statement of financial position

Amounts in NOK 1,000	30. December	30. December	31. December
	2011	2010	2009
Total intangible assets	57,667	49,657	46,634
Plant and equipment	42,752	42,814	48,493
Financial non-current assets	13,403	15,451	22,400
Total non-current assets	113,821	107,921	117,527
Receivables	704,315	1,071,222	780,760
Investments	343,281	381,044	70,594
Cash and bank deposits	1,068,603	1,270,352	1,200,658
Total current assets	2,116,199	2,722,618	2,052,012
Total assets	2,230,020	2,830,539	2,169,539
Paid-in capital	532,695	391,498	594,109
Other equity	675,579	872,511	586,420
Total equity	1,208,274	1,264,008	1,180,530
Long-term liabilities	22,534	117,558	355,510
Current liabilities	999,212	1,448,973	633,499
Total liabilities	1,021,746	1,566,531	989,009
Total equity and liabilities	2,230,020	2,830,539	2,169,539

Statement of cash flow

Amounts in NOK 1,000	Q4	Q4	Year	Year	Year
	2011	2010	2011	2010	2009
Net cash flow from operating activities	(16,008)	(106,470)	82,006	329,090	522,111
Net cash flow from investing activities	(138,281)	28,597	22,574	(58,378)	(24,295)
Net cash flow from financing activities	(247,647)	1,911	(306,328)	(201,018)	(111,521)
Net change in cash and cash equivalents	(401,937)	(75,963)	(201,749)	69,694	386,295
Cash and cash equivalents - opening balance	1,470,540	1,346,315	1,270,352	1,200,658	814,363
Cash and cash equivalents - ending balance	1,068,603	1,270,352	1,068,603	1,270,352	1,200,658

Statement of changes in equity

Amounts in NOK 1,000	Q4	Q4	Year	Year	Year
	2011	2010	2011	2010	2009
Shareholders equity - opening balance	1,175,097	1,170,573	1,264,008	1,180,530	1,088,266
Comprehensive income for the period	36,263	91,022	124,561	282,702	197,468
Payment to shareholders	-	-	(331,413)	(281,775)	(181,022)
New issuing of shares	-	-	153,469	79,225	75,696
Change in own shares	(3,086)	2,413	(2,350)	3,327	121
Shareholders equity - ending balance	1,208,274	1,264,008	1,208,274	1,264,008	1,180,529

Shareholder Information

ABG Sundal Collier is listed on the Oslo Stock Exchange with the ticker symbol "ASC".

	31 Dec 2010	30 Dec 2011
Share price	NOK 8.60	NOK 3.69

Payment to shareholders (AGM April 28th 2011): NOK 0.85 per share. The share traded ex payment to shareholders from April 29th.

High - Low 2011 (closing prices): NOK 8.66 – 3.25

Ownership structure

	Shares	In %
Directors and Staff	128,034,730	30.7
Treasury shares	1,329,125	0.3
All Other	288,305,946	69.0
Total shares as of 31 Dec 2011	417,669,801	100.0

ABGSC has forward contracts with partners and former partners purchasing 51,539,471 shares with settlement in 2012-2014.

ABGSC owns 1,329,125 treasury shares and have authorization to re-purchase its shares in the market or to issue new shares.

