

## **ABG Sundal Collier**

### **Preliminary 2010 results**

Oslo, 14 February 2011 – The markets in Q4 continued to improve and we have completed a varied range of Corporate Finance transactions. Group revenues amounted to NOK 413m in Q4, compared to NOK 234m in the same quarter last year. Group revenues for the full year were NOK 1,295m, up 28% compared to 2009.

Even if revenues have increased compared to last year we have experienced a volatile market without a clear trend or direction. The market provides trading oriented clients with many opportunities, but the possibility for carrying out Corporate Finance transactions have been restricted to the periods with positive market sentiment as we experienced in the last quarter.

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 0.85 per share for 2010 (NOK 0.75 per share for 2009).

#### **Q4 Highlights**

- Q4 2010 Earnings Per Share were NOK 0.21 vs. NOK 0.16 in the same period last year. For the full year EPS were NOK 0.66 vs. NOK 0.53 in 2009.
- Q4 Total Revenues were NOK 413m vs. NOK 234m last year, an increase of 76%. For 2010, Total Revenues were NOK 1,295m vs. NOK 1,014m last year, an increase of 28%.
- Market division revenues in Q4 2010 were NOK 190m vs. NOK 148m in the corresponding period last year. For 2010 Markets division revenues were NOK 712m vs. NOK 682m last year (+4%).
- Investment Banking division revenues were NOK 223m in Q4 2010 vs. NOK 86m in the same period last year. For the full year Investment Banking division revenues were NOK 584m vs. NOK 332m in 2009 (+76%).

## Summary Financial Data

### Operating data and key ratios

	4. quarter	4. quarter	Year	Year	Year
	2010	2009	2010	2009	2008
Average number of shares in 1,000 (1)	456,922	428,322	450,253	422,847	400,277
Shares outstanding end of period	388,924	375,343	388,924	375,343	361,148
Forward contracts for shares outstanding end of period	67,639	55,767	67,639	55,767	48,696
Earnings per share (in NOK) (2)	0.21	0.16	0.66	0.53	(0.18)
Pre-tax income (in NOK 1,000)	131,434	88,066	400,540	284,800	19,391
Book value per share (in NOK) (3)	3.25	3.15	3.25	3.15	3.01
Operating cost / Income ratio (4)	49.1 %	28.9 %	45.8 %	49.3 %	49.7 %
Total cost / Income ratio (5)	72.1 %	64.6 %	72.4 %	75.2 %	75.3 %
Compensation / Income ratio (6)	55.5 %	43.3 %	53.8 %	49.4 %	49.4 %
Pre-tax pre bonus profit margin (7)	54.8 %	73.3 %	57.5 %	54.0 %	27.1 %
Return on Equity (12 months) (8)	23.2 %	18.5 %	23.2 %	18.5 %	-7.0 %
Number of employees at period end	296	264	296	264	287

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

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

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

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

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

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

## ***Nordic Equity Markets Review***

The MSCI Nordic increased 8% in the last quarter of 2010 (+25% for the full year), which was in line with the performance of the MSCI AC World index. Virtually all of the gains occurred in December. Quantitative easing constituted a predominant theme during the quarter as numerous central banks have deemed stimulus measures necessary for ensuring that the economic recovery stays on track. In contrast, overheating concerns have lingered in China, with the People's Bank of China announcing a surprise rate hike in October, followed by another one at the end of the year.

European debt concerns continued to plague global markets during the quarter, with particularly strong attention being paid to Ireland and Spain. M&A deal activity has continued to be high in the Nordics as well as in the US. Considering other asset classes, we note that the bond market dropped significantly over the course of the quarter, while commodities continued to rally.

Norway (+15%) followed up on its strong performance in the third quarter and once again became the region's strongest market, followed by Denmark (+10%), Finland (+9%) and Sweden (+8%).

Trading volumes improved from the levels seen in 2009. Measured in EUR, the traded volume on the Nordic stock exchanges (ex MTFs) increased by 10% in Q4 compared to the same period last year. Full-year volumes were up by 16%. Total market volumes have probably grown even stronger as growth in ETF activity has been high and off exchange trading is increasing.

### ***Markets Division***

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010
(in NOK 1000)								
Operating revenues	148,010	225,764	159,562	148,294	205,717	175,441	140,470	189,989
Operating Cost	112,702	106,738	97,779	65,087	91,927	83,124	97,621	138,450
Pre Bonus EBIT	<b>35,308</b>	<b>119,026</b>	<b>61,783</b>	<b>83,207</b>	<b>113,790</b>	<b>92,317</b>	<b>42,850</b>	<b>51,540</b>
Headcount	111	106	106	98	100	97	100	105

Markets had a strong end of the year with high growth in all regions compared with both Q3 and a year ago, supported by high ECM activity. UK was the largest contributor on the equities side followed by Norway. Our business in Sweden continued to benefit from the expansion in the last couple of years and showed the strongest growth compared to last year.

Our new offices in Gothenburg and Frankfurt are up and running as of Q4 2010 and January this year. While still in the start-up phase, we have seen already a positive contribution in terms of volume and new client wins. A decision to start a bond desk in Stockholm was taken and a team of three will start during the spring.

Client rankings have improved in some segments, especially among international clients and in Sweden. We were voted Best European Research Team, Nordic Equities by Institutional Investor in 2010. Our Swedish Research team climbed in the local rankings being tied number two in Financial Hearings and tied number three on both case and sector research in Prospera. Although a small research team in Denmark, we ranked number six overall in Prospera but top-

5 in ten out of thirteen sectors at tier-1 portfolio managers. We have continued to attract skilled people to both sales and research. We have added research capacity primarily in Sweden but also in Denmark.

We have strengthened our Corporate Access team during the year. This is visible in the 26% increase in the number of road shows and events,, boosted by several companies travelling with us to the US. In Q4 we also arranged an investor trip to India and hosted two seminars, Engineering Vision in Stockholm and Spotlight on Finland in Helsinki. In March our annual Oil Service seminar in London takes place which we expect to be very well attended.

### **Investment Banking Division**

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010
<b>(in NOK 1000)</b>								
Operating revenues	67,073	92,182	86,720	86,043	123,460	112,418	125,422	222,537
Operating Cost	34,687	44,567	35,932	2,606	36,891	38,710	42,473	64,361
Pre Bonus EBIT	<b>32,386</b>	<b>47,615</b>	<b>50,788</b>	<b>83,437</b>	<b>86,569</b>	<b>73,708</b>	<b>82,949</b>	<b>158,176</b>
Headcount	56	55	57	57	64	67	69	69

The activity level in the Investment Banking Division was high in Q4 2010 especially within capital market activities. Quarterly revenues amounted to NOK 223m corresponding to an increase of 159% compared to Q4 2009. The project pipeline remains solid going into 2011.

In October 2010, the IPO of Statoil Fuel & Retail was concluded with a total transaction size of NOK 5.4 billion. A number of primary placements were completed in the quarter, including NOK 1.6 billion for Petroleum Geo-Services, NOK 360m for DNO International, USD 65m for Polarcus, NOK 154m for Clavis Pharma and NOK 312m for Morpol.

Also during the quarter, ABGSC advised Eitzen Maritime Services in relation to a refinancing comprising restructuring of three bond loans totalling NOK 462m and an equity issue of NOK 146m.

Bond issues in the quarter included a USD 650 million convertible bond for Seadrill, which was priced at 3.375% coupon and a 30% premium. ABGSC also acted as co-lead manager in a EUR 550m convertible bond issue for Technip.

The sale of Norwegian Property's hotel real estate business, Norgani Hotels, to Pandox and its owners was completed in Q4 2010. ABGSC acted as sole financial advisor to Norwegian Property in relation to the transaction. Also the sales of Handicare and Visma, announced in Q2 and Q3 respectively, closed in Q4 2010.

### **Financial Review**

4Q revenue growth of 76% is a reflection both of high activity within our Investment Banking division in the 4 quarter, and the modest level of comparison from 2009. The cost increase from NOK 68m in 4Q last year to NOK 203m this year is strongly influenced by non recurring cost reduction items in 2009 and a change in our remuneration system in 2010. The non recurring cost elements in 4Q last year amounted to some NOK 68m and additional 4Q cost this year is

some NOK 30m. The underlying cost increase is in line with the increase in number of staff and an increase in the fixed remuneration for some categories of staff.

New regulations in relation to variable payments to top management, risk takers and control functions have been or are in the process of being introduced in the countries where the group operates and this has led to an increase in the fixed remuneration to staff within top management, risk takers and control functions. The cost in the 4Q of 2010 covers the effect for the full accounting year 2010. Based on the increase in the fixed cost, the Board has adjusted the split between shareholders and the bonus pool to be 52% to the shareholders and 48% to the bonus pool.

Total operating expenses for the year came in at NOK 594m compared to NOK 500m. The expenses for 2009 included net non recurring items of NOK –58m compared to total non recurring costs of NOK -10 million for 2010. The underlying cost increase is due to increases in fixed remuneration and an increase in the number of staff.

Allocation to bonuses and profit sharing to employees and partners amounted to NOK 345m for 2010 compared to NOK 262m for 2009.

Net financial income was NOK 16m (NOK 5m in Q4 2009). Pre-tax profit was NOK 131m in Q4 and NOK 401m for 2010 as a whole. Net profit was NOK 91m in the quarter (NOK 64m in Q4 2009) and NOK 279m for the full year (NOK 205m in 2009). EPS was NOK 0.21 per share in Q4 and NOK 0.66 per share for the full year.

Our balance sheet position remains strong and we consider ourselves to have a capital strength that is comfortable. The group capital adequacy ratio of 31.7% at year end, compared with the 8.0% requirement of the Financial Supervisory Authority of Norway, and a comfortable liquidity position have led the Board to propose a payment to shareholders of NOK 0.85 per share, somewhat in excess of 2010 earnings. Even calculating pro forma after payments to shareholders the group capital ratio will be at 24.1%.

**ABG SUNDAL COLLIER GROUP**
**Income statement**

Amount in NOK 1,000	4. quarter	4. quarter	%	Year	Year	%	Year
	2010	2009	change	2010	2009	change	2008
<b>Operating revenues</b>							
Brokerage revenues	156,702	140,285	11.7 %	584,986	577,160	1.4 %	689,058
Corporate Finance revenues	255,003	89,842	183.8 %	686,744	394,920	73.9 %	523,595
Proprietary Trading revenues	1,135	4,211	-73.0 %	24,039	41,568	-42.2 %	73,217
Other revenues	-	-		-	0		1,337
<b>Total operating revenues</b>	<b>412,841</b>	<b>234,338</b>	<b>76.2 %</b>	<b>1,295,769</b>	<b>1,013,649</b>	<b>27.8 %</b>	<b>1,287,206</b>
<b>Operating expenses</b>							
Salaries and NI expenses	(134,155)	(17,949)	647.4 %	(351,818)	(238,923)	47.3 %	(306,568)
Other operating expenses	(64,514)	(44,242)	45.8 %	(223,306)	(238,997)	-6.6 %	(312,900)
Depreciation	(4,142)	(5,502)	-24.7 %	(18,432)	(22,178)	-16.9 %	(20,422)
<b>Total operating expenses</b>	<b>(202,811)</b>	<b>(67,693)</b>	<b>199.6 %</b>	<b>(593,556)</b>	<b>(500,098)</b>	<b>18.7 %</b>	<b>(639,890)</b>
<b>EBIT Pre-bonus and profit to partners</b>	<b>210,030</b>	<b>166,645</b>	<b>26.0 %</b>	<b>702,213</b>	<b>513,551</b>	<b>36.7 %</b>	<b>647,317</b>
Bonus and profit to partners	(94,968)	(83,591)	13.6 %	(344,835)	(262,236)	31.5 %	(329,506)
<b>EBIT Post-bonus and profit to partners</b>	<b>115,062</b>	<b>83,053</b>	<b>38.5 %</b>	<b>357,378</b>	<b>251,314</b>	<b>42.2 %</b>	<b>317,810</b>
Net financial result	16,372	5,012	226.6 %	43,162	33,485	28.9 %	(298,419)
<b>Pre-tax income</b>	<b>131,434</b>	<b>88,066</b>	<b>49.2 %</b>	<b>400,540</b>	<b>284,800</b>	<b>40.6 %</b>	<b>19,391</b>
Taxes	(40,906)	(23,791)	71.9 %	(121,760)	(79,556)	53.0 %	(114,945)
<b>Net result for the period</b>	<b>90,528</b>	<b>64,275</b>	<b>40.8 %</b>	<b>278,779</b>	<b>205,244</b>	<b>35.8 %</b>	<b>(95,554)</b>
<b>Diluted earnings per share</b>	<b>0.21</b>	<b>0.16</b>		<b>0.66</b>	<b>0.53</b>		<b>(0.18)</b>
Basic earnings per share	0.23	0.18		0.73	0.56		(0.28)

**Statement of comprehensive income**

<b>Net result for the period</b>	<b>90,528</b>	<b>64,275</b>		<b>278,779</b>	<b>205,244</b>		<b>(95,554)</b>
<b>Other comprehensive income</b>							
Exchange differences on translating foreign operations	(57)	(1,261)		6,171	(45,693)		52,456
Hedging of investment in foreign subsidiaries	765	5,022		(3,113)	50,822		(42,786)
Valuation of available for sale financial assets	-	-		-	1,325		9,753
Income tax relating to other comprehensive income	(214)	(1,382)		872	(14,230)		11,980
<b>Other comprehensive income</b>	<b>494</b>	<b>2,379</b>		<b>3,930</b>	<b>(7,776)</b>		<b>31,403</b>
<b>Total comprehensive income for the period</b>	<b>91,022</b>	<b>66,654</b>		<b>282,709</b>	<b>197,468</b>		<b>(64,151)</b>

### Statement of financial position

Amount in NOK 1,000	31. December	31. December	31. December
	2010	2009	2008
Total intangible assets	49,534	46,634	81,953
Plant and equipment	42,439	48,493	62,746
Financial non-current assets	15,451	22,400	26,297
<b>Total non-current assets</b>	<b>107,423</b>	<b>117,527</b>	<b>170,997</b>
Receivables	1,069,598	780,760	1,735,470
Investments	123,544	70,594	60,827
Cash and bank deposits	1,270,352	1,200,658	814,363
<b>Total current assets</b>	<b>2,463,494</b>	<b>2,052,012</b>	<b>2,610,659</b>
<b>Total assets</b>	<b>2,570,917</b>	<b>2,169,539</b>	<b>2,781,656</b>
Paid-in capital	388,148	594,109	699,433
Other equity	875,867	586,422	388,833
<b>Total equity</b>	<b>1,264,015</b>	<b>1,180,530</b>	<b>1,088,266</b>
Long-term liabilities	349,946	355,510	404,880
Current liabilities	956,956	633,499	1,288,511
<b>Total liabilities</b>	<b>1,306,902</b>	<b>989,009</b>	<b>1,693,390</b>
<b>Total equity and liabilities</b>	<b>2,570,917</b>	<b>2,169,539</b>	<b>2,781,656</b>

### Statement of cash flow

	4. quarter	4. quarter	31. December	31. December	Year
	2010	2009	2010	2009	2008
Net cash flow from operating activities	(106,470)	381,727	329,090	522,111	798,912
Net cash flow from investing activities	28,597	(1,543)	(58,378)	(24,295)	37,564
Net cash flow from financing activities	1,911	2,898	(201,018)	(111,521)	(539,487)
Net change in cash and cash equivalents	(75,963)	383,082	69,694	386,295	296,989
Cash and cash equivalents - opening balance	1,346,315	817,576	1,200,658	814,363	517,374
Cash and cash equivalents - ending balance	1,270,352	1,200,658	1,270,352	1,200,658	814,363

### Statement of changes in equity

	4. quarter	4. quarter	31. December	31. December	Year
	2010	2009	2010	2009	2008
Shareholders equity - opening balance	1,170,573	1,108,855	1,180,530	1,088,266	1,647,596
Comprehensive income for the period	91,022	66,654	282,709	197,468	(64,151)
Payment to shareholders	-	-	(281,775)	(181,022)	(577,847)
New issuing of shares	-	4,907	79,225	75,696	82,361
Change in own shares	2,421	5	3,327	121	308
Other	-	110	-	1	(1)
<b>Shareholders equity - ending balance</b>	<b>1,264,015</b>	<b>1,180,530</b>	<b>1,264,015</b>	<b>1,180,530</b>	<b>1,088,266</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1 - Accounting principles

The quarterly report is prepared in accordance with the International Financial Reporting Standard (IFRS) published by the International Accounting Standards Board (IASB) and all interpretations from the Financial Reporting Interpretations Committee (IFRIC), which have been endorsed by the EU commission for adoption within the EU. The quarterly report is presented using the same principles as in the annual report for 2009, with the exception of a revised allocation of revenues between two main revenue sources and segment information that have been adjusted to reflect a internal organisational changes. Historical comparative figures are amended to reflect the new organisational structure. The quarterly report is unaudited.

### Note 2 - Information about Segments and Geographical Markets

The Group's primary business segments are Markets (brokerage and proprietary trading) and Investment Banking. The management system is matrix-based. Revenues and expenses are reported by business segment and revenues by geographical markets. Assets and liabilities except from directly allocatable items are recorded as unallocated items. Bonus and profit sharing, Financial results and Income taxes are all treated as unallocated items

#### Operating profit reported by primary segment (business segment)

	2010							
	Markets		Investment Banking		Unallocated		Total	
	4Q	YTD	4Q	YTD	4Q	YTD	4Q	YTD
<b>Profit &amp; loss</b>								
Revenues - external	157,837	609,025	255,003	686,744	-	-	412,841	1,295,769
Revenues - from other operating segments	32,152	102,593	-32,152	-102,593	-	-	-	-
<b>Total revenues</b>	<b>189,989</b>	<b>711,618</b>	<b>222,851</b>	<b>584,151</b>	<b>-</b>	<b>-</b>	<b>412,841</b>	<b>1,295,769</b>
Operating expenses	-138,594	-411,266	-64,217	-182,290	-	-	-202,811	-593,556
<b>Profit before bonus and profit sharing</b>	<b>51,395</b>	<b>300,352</b>	<b>158,635</b>	<b>401,861</b>	<b>-</b>	<b>-</b>	<b>210,030</b>	<b>702,213</b>
Bonus and profit sharing	-	-	-	-	-94,968	-344,835	-94,968	-344,835
Financial result	-	-	-	-	16,372	43,162	16,372	43,162
<b>Profit before tax from continuing operations</b>	<b>51,395</b>	<b>300,352</b>	<b>158,635</b>	<b>401,861</b>	<b>-78,596</b>	<b>-301,673</b>	<b>131,434</b>	<b>400,540</b>
Segment assets	970,660	970,660	34,272	34,272	1,563,587	1,563,587	2,568,519	2,568,519
Segment liabilities	453,340	453,340	185,286	185,286	655,536	655,536	1,294,162	1,294,162
	2009							
	Markets		Investment Banking		Unallocated		Total	
	4Q	YTD	4Q	YTD	4Q	YTD	4Q	YTD
<b>Profit &amp; loss</b>								
Revenues - external	144,496	618,729	89,842	394,920	-	-	234,338	1,013,649
Revenues - from other operating segments	3,799	62,902	-3,799	-62,902	-	-	-	-
<b>Total revenues</b>	<b>148,295</b>	<b>681,631</b>	<b>86,043</b>	<b>332,018</b>	<b>-</b>	<b>-</b>	<b>234,338</b>	<b>1,013,649</b>
Operating expenses	-65,087	-382,307	-2,606	-117,792	-	-	-67,693	-500,098
<b>Profit before bonus and profit sharing</b>	<b>83,208</b>	<b>299,324</b>	<b>83,437</b>	<b>214,227</b>	<b>-</b>	<b>-</b>	<b>166,645</b>	<b>513,551</b>
Bonus and profit sharing	-	-	-	-	-83,591	-262,236	-83,591	-262,236
Financial result	-	-	-	-	5,012	33,485	5,012	33,485
<b>Profit before tax from continuing operations</b>	<b>83,208</b>	<b>299,324</b>	<b>83,437</b>	<b>214,227</b>	<b>-78,579</b>	<b>-228,750</b>	<b>88,066</b>	<b>284,800</b>
Segment assets	822,335	822,335	71,585	71,585	1,275,619	1,275,619	2,169,539	2,169,539
Segment liabilities	434,429	434,429	112,066	112,066	442,514	442,514	989,009	989,009



## Shareholder Information

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

	31 Dec 2009	31 Dec 2010
Share price	NOK 7.98	NOK 8.60

Payment to shareholders (AGM April 29<sup>th</sup> 2010): NOK 0.75 per share. The share traded ex payment to shareholders from April 30<sup>th</sup>.

High - Low 2010 (closing prices): NOK 5.50-8.60

### Ownership structure

	Shares	In %
Directors and Staff	128,222,141	33.0
Treasury shares	289,125	0.1
All Other	260,412,779	66.9
<b>Total shares as of 31 Dec 2010</b>	<b>389,924,045</b>	<b>100.0</b>

ABGSC has forward contracts with partners and former partners purchasing 67,638,750 shares with settlement in 2011-2014.

ABGSC owns 289,125 treasury shares and have authorization to re-purchase its shares in the market or to issue new shares.

