

## **ABG Sundal Collier**

### **Preliminary 2009 results**

Oslo, 15 February 2010 – The markets in Q4 continued to improve, but revenues have still not reached the levels of previous years. Group revenues amounted to NOK 234m in Q4, compared to NOK 259m in the same quarter last year. Group revenues for the full year were NOK 1,014m, down 21% compared to 2008.

Even if revenues have been falling compared to previous years we have experienced clearly better revenues than expected at the start of the year. The cost reduction programme initiated in Q4 2008 has delivered the expected results that have been further enhanced by some one off cost reductions in the Q4 2009.

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 0.75 per share for 2009 (NOK 0.50 per share for 2008).

#### **Q4 Highlights**

- Q4 2009 Earnings Per Share were NOK 0.16 vs. negative NOK 0.81 in the same period last year. For the full year EPS were NOK 0.53 vs. negative NOK 0.18 in 2008.
- Q4 Total Revenues were NOK 234m vs. NOK 259m last year, a decline of 10%. For 2009, Total Revenues were NOK 1,013m vs. NOK 1,287m last year, a decline of 21%.
- Equity division revenues in Q4 2009 were NOK 123m, the same as in the corresponding period last year. For 2009 Equity division revenues were NOK 506m vs. NOK 690m last year (-27%).
- Corporate Finance division revenues were NOK 107m in Q4 2009 vs. NOK 118m in the same period last year (-9%). For the full year Corporate Finance division revenues were NOK 466m vs. NOK 524m in 2008 (-11%).
- Issuance of convertible bonds have been an important contributor to revenues in 2009 and we have decided to strengthen our position further by building up increased secondary trading capabilities within this market segment.

## Summary Financial Data

### Operating data and key ratios

	4. quarter 2009	4. quarter 2008	Year 2009	Year 2008	Year 2007
Average number of shares in 1,000 (1)	428,322	409,818	422,847	400,277	353,859
Shares outstanding end of period	375,343	361,148	375,343	361,148	337,480
Forward contracts for shares outstanding end	55,767	48,696	55,767	48,696	36,665
Earnings per share (in NOK) (2)	0.16	(0.81)	0.53	(0.18)	1.81
Pre-tax income (in NOK 1,000)	88,066	(319,535)	284,800	19,391	887,241
Book value per share (in NOK) (3)	3.15	3.01	3.15	3.01	4.88
Operating cost / Income ratio (4)	28.9 %	64.7 %	49.3 %	49.7 %	24.9 %
Total cost / Income ratio (5)	64.6 %	80.2 %	75.2 %	75.3 %	64.1 %
Compensation / Income ratio (6)	43.3 %	44.2 %	49.4 %	49.4 %	51.7 %
Pre-tax pre bonus profit margin (7)	73.3 %	-107.7 %	54.0 %	27.1 %	79.6 %
Return on Equity (12 months) (8)	18.5 %	-7.0 %	18.5 %	-7.0 %	49.1 %
Number of employees at period end	264	287	264	287	289

(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***

In Q4 2009 the MSCI Nordic rose by 4.1% slightly behind the MSCI AC World index, which rose by 4.9%. Globally, the markets were cheered by resumed GDP growth, especially in the US, where annualised growth was 5.7% in Q4. Industrial production improved compared to Q3, although still down somewhat compared with Q4 2008. The unemployment rate remained high at 10.0%, but the decrease in the number of jobs slowed down from -263k in September to -85k in December.

The best performing sectors in the Nordic region were Telecommunication Services (Telenor +21%, Tele2 +19% and TeliaSonera +14%), Materials (Yara International +45%, Norsk Hydro +27% and Boliden +23%) and Energy (Acergy +26%, DNO International +25% and Subsea 7 +24%), while Information Technology was the worst performing sector (Nokia -11% and Ericsson -6%). Three stocks that were hit hard during Q4 were TrygVesta (-12%), Renewable Energy Corporation (-12%) and Danske Bank (-11%).

Norway rose 15% to become the best performing market in the region during the quarter, while Sweden was up 6% closely followed by Finland with a gain of 5%. Denmark was up 1%.

In October the reporting season started, and several companies exceed analysts' earnings' expectations, mainly due to cost programmes that had been initiated previously. Sales' growth was more or less in line with expectations.

## ***Equities Division***

	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
(in NOK 1000)								
Operating revenues	210,268	208,722	155,646	122,613	108,229	152,695	122,509	122,997
Operating Cost	80,879	86,061	110,205	99,015	86,090	79,263	76,933	54,130
Pre Bonus EBIT	129,389	122,661	45,441	23,598	22,139	73,432	45,576	68,867
Headcount	140	131	137	129	125	126	126	122

Nordic stock markets rallied in Q4, extending the strong performance that began in March, resulting in a 78% rise from the bottom. Trading volumes remained weak. Measured in NOK, traded volumes on the Nordic stock exchanges in Q4 2009 were 6% down compared to last year, but an improvement relative to Q3 2009, when volumes fell by 31%. Full year volumes were down 33%.

Against this mixed backdrop, the Equity division's revenues in Q4 were flat year-on-year. Our business in Sweden continued the strong performance seen in the three previous quarters. We are very pleased with the contribution made by the Sales and Research teams in Sweden during 2009. Our Copenhagen office also turned in a better performance during Q4 and continued to improve its ranking among large Danish institutions. We believe

both our Copenhagen and Stockholm offices will continue to strengthen their position during 2010.

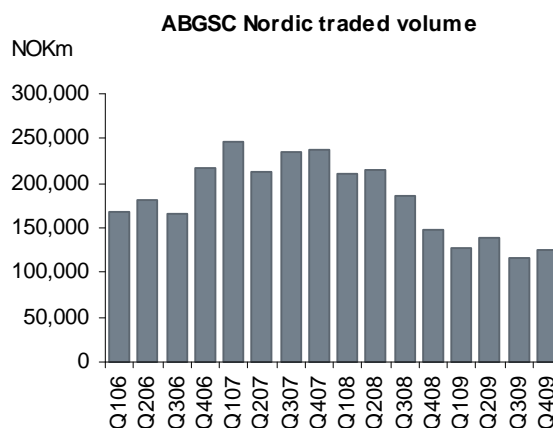
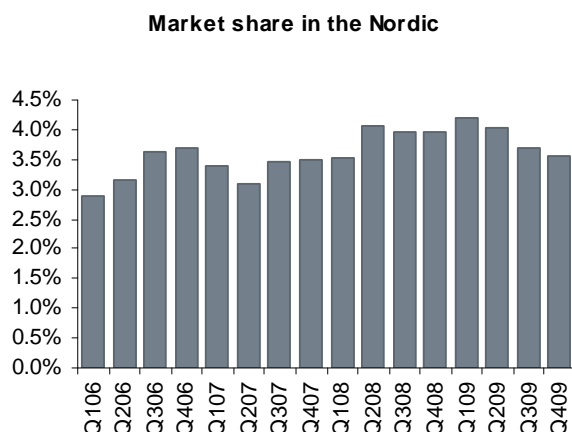
In the fourth quarter our market share of traded volumes was 3.55% compared to 3.93% in the same quarter last year.

We strengthened our Corporate Access team during Q4 with hires in both Stockholm and Copenhagen, which we see as important for our future business in both destinations. In December we hosted our first Small and Mid cap seminar in Stockholm with more than 40 companies attending.

Our Research and sales teams have improved their rankings in the yearly Prospera and capital surveys. We were voted Best European Research Team, Nordic Equities by Institutional Investor and in early 2010 the Norwegian survey, Kapital, ranked us number three, up from five, while our sales team in Norway put in an exceptional performance to come first.

Among the many examples of case research published during the year, we would highlight our research on Norsk Hydro, Elekta and Tandberg as being excellent examples of the thought provoking, innovative and timely research ABG Sundal Collier strives to produce for clients.

Further to this we have added more than 30 new companies to our coverage during 2009 and we believe this will support our business and rankings in 2010.



### Corporate Finance Division

(in NOK 1000)	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Operating revenues	141,344	116,254	141,212	117,973	92,596	147,182	118,743	107,129
Operating Cost	45,530	62,235	48,421	52,945	46,659	59,927	48,765	3,382
Pre Bonus EBIT	<u>95,814</u>	<u>54,019</u>	<u>92,791</u>	<u>65,028</u>	<u>45,937</u>	<u>87,255</u>	<u>69,978</u>	<u>103,747</u>
Headcount	87	89	90	82	80	77	81	78

Revenues in the Corporate Finance Division fell by 9% in the fourth quarter from NOK 118m in Q4 2008 to NOK 107m and were somewhat influenced by market uncertainty and corresponding execution risk. Still, we believe we have maintained our strong market position and have improved our pipeline of projects during the quarter.

A pronounced share of transactions completed in Q4 involved companies within the bio-pharma space, including Swedish specialist pharmaceutical company Biovitrum's SEK 1.5bn rights issue and acquisition of Swedish Orphan, a niche specialty pharmaceutical company focusing on rare diseases.

Other ECM transactions during the quarter included the NOK 1.3bn sale of 18.5m DnB NOR shares for Sparebankstiftelsen DnB NOR and consummation of the refinancing of Eitzen Chemical including two equity offerings totalling NOK 728m in gross proceeds.

### Financial Review

Year-over-year the revenues in the Q4 fell 10% compared to a fall of 21% for the full year and with more positive market sentiment and a reduced base for comparison there are signs that the period of declining revenues have come to an end. We implemented a cost reduction programme in order to reduce the effect of declining revenues and the targets we set for ourselves have been met. The goal was to reduce the underlying costs to a level below NOK 550 million annually and that target was reached both for Q3 and Q4 2009. In addition the costs in the Q4 2009 were reduced by a net amount of NOK 68 million relating to one off effects, mainly in relation to a change in the pension plan for Norwegian employees and reversal of loan losses. The one off cost reductions is related to the Norwegian part of our

business and benefits both the Corporate Finance and Equities divisions, but over proportionally in Corporate Finance as they have their activity more concentrated in Norway than the Equity division who are more geographically spread out.

The adjustment to our pension plan in Norway has reduced our calculated pension liability with NOK 48m. In accordance with IFRS accounting standards this effect is recorded as a reduction of the pension expense in the year of implementation. Going forward, the annual effect will be reduced costs in the magnitude of +/- NOK 10m per year compared to the previous plan. After the marked fall in equity prices in late 2008 and early 2009 we ended up with some clients where we had financed equity holdings and where we had to take loan loss provisions to cover expected lack of ability to repay. Improved equity prices and an active work out strategy have led us to recover some of this loan loss provisions and we had a net reversal of such provisions in the fourth quarter of NOK 5m.

Total operating expenses for the year came in at NOK 500m compared to NOK 640m. The expenses for 2009 included net non recurring items of NOK -58m compared to total non recurring costs of NOK 40 million for 2008.

Allocation to bonuses and profit sharing to employees and partners amounted to NOK 262m for 2009 compared to NOK 330m for 2008. In late 2009 and early 2010, several of the jurisdictions in which ABG Sundal Collier operates adopted new laws, regulations and guidelines affecting remuneration. Our Swedish office will comply with new deferral mechanisms for bonuses which are now required in that jurisdiction. The firm is not subject to the one-time bonus tax levied on financial firms in the UK, because our UK capital base falls below the threshold for calculating the tax. New guidelines regarding compensation of compliance personnel have been issued in the UK, and the company intends to undergo a review of remuneration of compliance personnel in 2010 in order to comply with these guidelines.

Net financial income was NOK 5m (minus NOK 370m in Q4 2008). The 2008 figure included realised losses of NOK 382m on our long term investment in Carnegie and some other minor available-for-sale investments. Pre-tax profit was NOK 83m in Q4 and NOK 251m for 2009 as a whole. Net profit was NOK 64m in the quarter (NOK -336m in Q4 2008) and NOK 205m for the full year (NOK - 96m in 2008). EPS was NOK 0.16 per share in Q4 and NOK 0.53 per share for the full year.

During 2009 there were adjustments attributable to available for sale investments that were recorded directly towards equity comparable to NOK 0.00 per share compared to NOK 0.02 per share for 2008.

Our balance sheet position has been further strengthened during the year and we consider ourselves to have a capital strength that is higher than what is needed. The group capital adequacy ratio of 31.0% 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 0.75 per share, somewhat in excess of last years earnings. Even calculating pro forma after payments to shareholders the group capital ratio will be at 23.8%.

## **Schlumberger legal case**

As mentioned in the 4Q 08 report to shareholders ABGSC has a dispute with Schlumberger.

The dispute arose following the completion of our engagement as advisor in a take-over situation in 2007, which resulted in our client Eastern Echo being acquired by Schlumberger. After the take-over, Eastern Echo (then controlled by Schlumberger) refused to pay the contractual fee to ABGSC.

Pursuant to the arbitration award given in 2009, our fee was reduced somewhat based on a view that ABGSC in executing its engagement contributed to breach of market conduct provisions in the Norwegian Securities Trading Act, allegedly causing losses for the opposing party. We and our legal advisors strongly disagree with the arbitration panel's assessment of the facts presented and the legal basis for its conclusions regarding the conduct of our firm.

The fee awarded to us by the arbitration panel has not been paid by Eastern Echo, and payment is being pursued in Cypriote court.

Following the arbitration award, and with reference thereto, Schlumberger presented ABGSC with a claim for compensation of NOK 436m. ABGSC, with the support of its legal advisors, reject the claim, which is regarded as being unfounded and without merit.

Schlumberger alleges that ABG Sundal Collier has contributed to Schlumberger paying a higher price than otherwise necessary to gain control of Eastern Echo. Schlumberger has taken ABGSC to court with their claim. The case has been heard in the Oslo City Court and a ruling is expected within the next few weeks. No provision has been made for the claim from Schlumberger.

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

Amount in NOK 1,000	4. quarter	4. quarter	%	Year	Year	%	Year
	2009	2008	change	2009	2008	change	2007
<b>Operating revenues</b>							
Stockbroking revenues	115,894	117,385	-1.3 %	481,089	661,829	-27.3 %	884,436
Corporate Finance revenues	114,232	121,925	-6.3 %	490,991	550,823	-10.9 %	1,224,445
Proprietary Trading revenues	4,211	18,561	-77.3 %	41,537	73,217	-43.3 %	81,955
Other revenues	-	1,233		31	1,337		1,508
<b>Total operating revenues</b>	<b>234,338</b>	<b>259,104</b>	<b>-9.6 %</b>	<b>1,013,649</b>	<b>1,287,206</b>	<b>-21.3 %</b>	<b>2,192,344</b>
<b>Operating expenses</b>							
Salaries and NI expenses	(17,949)	(74,072)	-75.8 %	(238,923)	(306,568)	-22.1 %	(275,829)
Other operating expenses	(44,242)	(88,678)	-50.1 %	(238,997)	(312,900)	-23.6 %	(255,859)
Depreciation	(5,502)	(4,774)	15.2 %	(22,178)	(20,422)	8.6 %	(14,051)
<b>Total operating expenses</b>	<b>(67,693)</b>	<b>(167,523)</b>	<b>-59.6 %</b>	<b>(500,098)</b>	<b>(639,890)</b>	<b>-21.8 %</b>	<b>(545,739)</b>
<b>EBIT Pre-bonus and profit to partners</b>	<b>166,645</b>	<b>91,581</b>	<b>82.0 %</b>	<b>513,551</b>	<b>647,317</b>	<b>-20.7 %</b>	<b>1,646,605</b>
Bonus and profit to partners	(83,591)	(40,404)	106.9 %	(262,236)	(329,506)	-20.4 %	(858,498)
<b>EBIT Post-bonus and profit to partners</b>	<b>83,053</b>	<b>51,177</b>	<b>62.3 %</b>	<b>251,314</b>	<b>317,810</b>	<b>-20.9 %</b>	<b>788,107</b>
Net financial result	5,012	(370,712)	-101.4 %	33,485	(298,419)	-111.2 %	99,134
<b>Pre-tax income</b>	<b>88,066</b>	<b>(319,535)</b>	<b>-127.6 %</b>	<b>284,800</b>	<b>19,391</b>	<b>1368.7 %</b>	<b>887,241</b>
Taxes	(23,791)	(16,656)	42.8 %	(79,556)	(114,945)	-30.8 %	(262,134)
<b>Net result for the period</b>	<b>64,275</b>	<b>(336,191)</b>	<b>-119.1 %</b>	<b>205,244</b>	<b>(95,554)</b>	<b>-314.8 %</b>	<b>625,107</b>
Diluted earnings per share	0.16	(0.81)		0.53	(0.18)		1.81
Basic earnings per share	0.18	(0.96)		0.56	(0.28)		1.97

**Statement of comprehensive income**

<b>Net result for the period</b>	<b>64,275</b>	<b>(336,191)</b>		<b>205,244</b>	<b>(95,554)</b>		<b>625,107</b>
<b>Other comprehensive income</b>							
Exchange differences on translating foreign c	(1,261)	21,712		(45,693)	52,456		(48,731)
hedging of investment in foreign subsidiaries	5,022	(23,945)		50,822	(42,786)		36,920
Valuation og available for sale financial asset	-	(67,909)		1,325	9,753		(20,193)
Income tax relating to other comprehensive ii	(1,382)	6,706		(14,230)	11,980		(10,338)
<b>Other comprehensive income</b>	<b>2,379</b>	<b>(63,435)</b>		<b>(7,776)</b>	<b>31,403</b>		<b>(42,342)</b>
<b>Total comprehensive income for the perio</b>	<b>66,654</b>	<b>(399,627)</b>		<b>197,468</b>	<b>(64,151)</b>		<b>582,765</b>



### Statement of financial position

Amount in NOK 1,000	31. December	31. December	31. December
	2009	2008	2007
Total intangible assets	46,805	99,872	81,336
Plant and equipment	48,493	62,746	38,417
Financial non-current assets	20,808	27,808	60,324
<b>Total non-current assets</b>	<b>116,106</b>	<b>190,427</b>	<b>180,078</b>
Receivables	768,057	1,738,054	4,039,198
Investments	81,888	56,731	526,310
Cash and bank deposits	1,200,658	814,363	806,028
<b>Total current assets</b>	<b>2,050,602</b>	<b>2,609,147</b>	<b>5,371,536</b>
<b>Total assets</b>	<b>2,166,708</b>	<b>2,799,574</b>	<b>5,551,614</b>
Paid-in capital	577,170	696,096	617,078
Other equity	603,366	392,171	1,030,518
<b>Total equity</b>	<b>1,180,535</b>	<b>1,088,266</b>	<b>1,647,596</b>
Long-term liabilities	353,995	403,153	384,837
Current liabilities	632,178	1,308,155	3,519,181
<b>Total liabilities</b>	<b>986,173</b>	<b>1,711,309</b>	<b>3,904,018</b>
<b>Total equity and liabilities</b>	<b>2,166,709</b>	<b>2,799,575</b>	<b>5,551,614</b>

### Statement of cash flow

	4. quarter	4. quarter	31. December	31. December	Year
	2009	2008	2009	2008	2007
Net cash flow from operating activities	390,061	378,229	536,637	383,012	1,029,807
Net cash flow from investing activities	(1,543)	714,402	(27,673)	457,343	(524,373)
Net cash flow from financing activities	2,898	(894,588)	(114,335)	(832,020)	(315,099)
Net change in cash and cash equivalents	391,417	198,043	394,630	8,335	190,334
Cash and cash equivalents - opening balance	809,241	616,320	806,028	806,028	615,694
Cash and cash equivalents - ending balance	1,200,658	814,363	1,200,658	814,363	806,028

### Statement of changes in equity

	4. quarter	4. quarter	31. December	31. December	Year
	2009	2008	2009	2008	2007
Shareholders equity - opening balance	1,108,855	1,117,894	1,088,267	1,647,596	980,153
Comprehensive income for the period	66,654	(48,529)	197,468	(64,151)	582,765
Dividend paid	-	-	(181,022)	(577,847)	(472,438)
New issuing of shares	4,907	18,901	75,696	82,361	550,642
Change in own shares	4	-	(2)	308	343
Other	116	0	128	(1)	6,131
<b>Shareholders equity - ending balance</b>	<b>1,180,535</b>	<b>1,088,266</b>	<b>1,180,535</b>	<b>1,088,266</b>	<b>1,647,596</b>



## Shareholder Information

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

	31 Dec 2008	31 Dec 2009
Share price	NOK 3.90	NOK 7.98

Payment to shareholders (AGM April 30<sup>th</sup> 2009): NOK 0.50 per share. The share traded ex payment to shareholders from May 4<sup>th</sup>.

High - Low 2009 (closing prices): NOK 3.90-8.30

### Ownership structure

	Shares	In %
Directors and Staff	132,615,293	35.3
Treasury shares	19,750	0.0
All Other	242,707,716	64.7
<b>Total shares as of 31 Dec 2009</b>	<b>375,342,359</b>	<b>100.0</b>

ABGSC has forward contracts with partners and former partners purchasing 55,767,250 shares with settlement in 2010-2013.

ABGSC owns 19,750 treasury shares and have authorization to re-purchase its shares in the market or to issue new shares.

Share price development

