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*acta*



**Acta Holding ASA**

**2<sup>nd</sup> quarter presentation 2011**

**CEO Geir Inge Solberg**

**CFO Christian Tunge**

**17<sup>th</sup> August 2011**

*Disclaimer: Unaudited Q2 and 1H figures. This interim report contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements and must not be understood as guarantees for the future.*



## Agenda

- ▶ Highlights second quarter 2011
- ▶ Clients, subscriptions and equity under management
- ▶ Outlook
- ▶ Interim financial statements
- ▶ Segment information

## Highlights second quarter 2011

- ▶ Launch of Portfolio account with insurance in both Norway and Sweden
- ▶ Approximately 50 per cent of client-equity received by clients from BUH1 reinvested
- ▶ Gross subscriptions of more than NOK 1.2 billion
- ▶ Operating earnings of NOK 16 million



## Key figures second quarter 2011

Operating earnings (MNOK)	16
Earnings per share (NOK)	0.04
Assets under management (BNOK)	58
Equity under management (BNOK)	29
Portfolio account (BNOK)	8.4
Portfolio account (in % of equity)	29 %
Recurring revenues / fixed and activity-based costs	106 %

## Volatile Financial Markets

- ▶ Volatile stock and bond markets due to uncertainty concerning government debt levels and survival of the Euro
- ▶ Expect a long and painful road for industrialized nations back to more sustainable debt levels
- ▶ Continued good economic growth globally still provide very good investment opportunities
- ▶ Several professional investors are seeing real estate and private equity as favourable alternatives to the stock market



## Satisfied clients reinvest

- ▶ NOK 1.3 billion paid to Norwegian clients in the quarter after real estate sale in Sweden
- ▶ Approximately 50 per cent is reinvested in products offered by Acta
- ▶ Acta is satisfied with the confidence shown by clients
- ▶ Approximately SEK 250 million will be paid out to Swedish clients this autumn

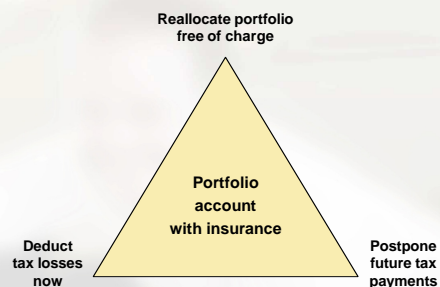


## Portfolio account with insurance

- ▶ Portfolio account was successfully launched in June 2010
- ▶ The Portfolio account with insurance (PA-I) is a result of further developments of the Portfolio account concept in line with client demands
- ▶ PA-I is in line with the tax-regulations for capital insurance



- ▶ Acta's entire investment-product offering available, including alternative investments
- ▶ Products offered by other market participants can also be included in the PA-I

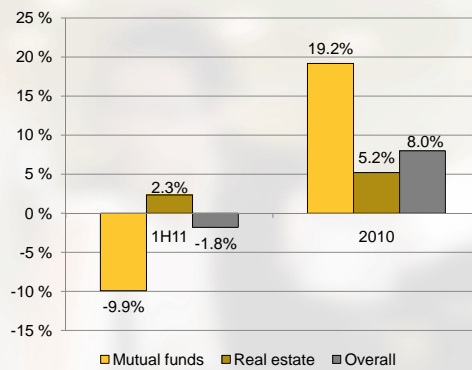


Highly relevant due to the financial crisis and recent stock market fluctuations



# Clients and returns

Average client portfolio returns<sup>1)</sup>

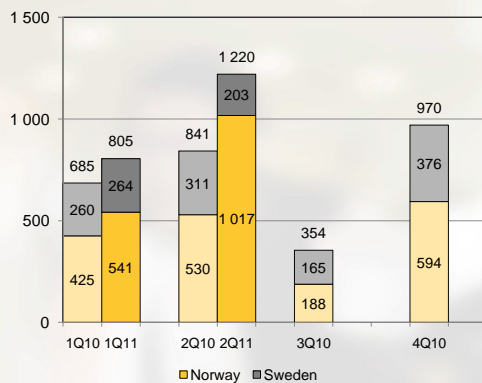


- Stable number of clients both in Norway and Sweden compared to previous quarter
- Client's investments in the "core" and "spicy" mutual fund selections yielded returns of -4.8% and -5.7% respectively in 2Q
- One third of client's mutual funds are allocated in fixed income funds or balanced funds allowing a more defensive approach to equities

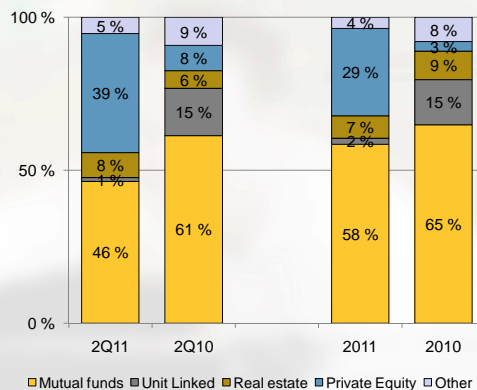
1) Return on clients' investments are based on weighted average return within respective asset classes

# Subscriptions

Gross subscriptions (mnok)



Gross subscriptions per asset class (%)

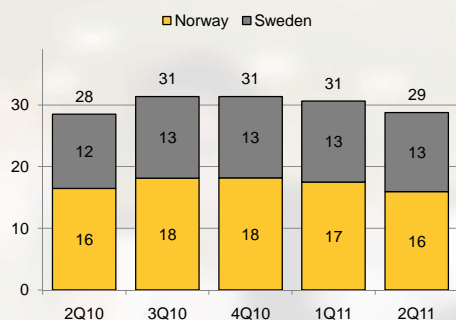


- Gross subscriptions of NOK 1 220 million
- Mutual funds and Private equity with highest demand in the quarter

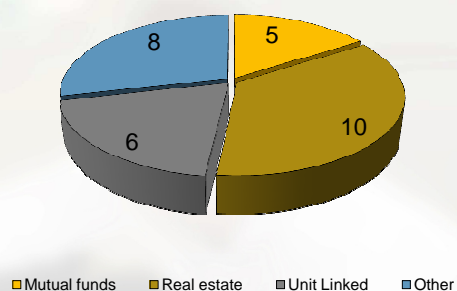


## Equity under management

Equity under management<sup>1)</sup>



Equity under management per asset class<sup>1)</sup>



- Equity under management increased by NOK 1 billion the last year
- 29 per cent of client 's equity invested through Portfolio account

1) Billion NOK

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## Outlook

- Fluctuating stock exchanges favours environment for alternative investments, where the Acta Group traditionally have proved competent
- Wealth Management is excited to present the advantages and opportunities within Portfolio account with insurance to clients
- The Markets organisation has grown with highly skilled professionals, and several interesting projects are in its pipeline
- Third quarter expectations moderate due to focus on new long-term business concepts and general seasonal factors

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## Key financial data

mnok	2Q 2011	2Q 2010	2010
Transaction revenues	38	48	133
Recurring revenues	89	67	295
<b>Total revenues</b>	<b>127</b>	<b>115</b>	<b>428</b>
Variable operating costs	23	12	56
Activity based costs	14	23	83
Fixed costs	70	73	294
Depreciation a.o.	4	4	23
<b>Operating earnings</b>	<b>16</b>	<b>3</b>	<b>-27</b>
<b>Net income</b>	<b>10</b>	<b>5</b>	<b>-19</b>

EPS	0.04	0.02	-0.07
ROE <sup>1)</sup> - annualised	12 %	6 %	-6 %

► Total revenues increased by NOK 12 million compared to the second quarter of 2010

► Recurring revenues of NOK 89 million, an increase of NOK 22 million from the comparable quarter of 2010

► Total costs decreased by NOK 1 million compared to the comparable quarter of 2010

► Net income in the second quarter was NOK 10 million, which translates to an EPS of NOK 0.04, compared with NOK 0.02 in the equivalent quarter of 2010

1) After tax

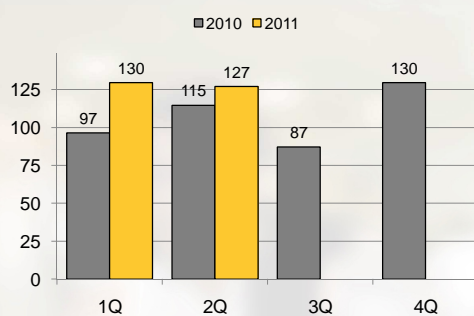
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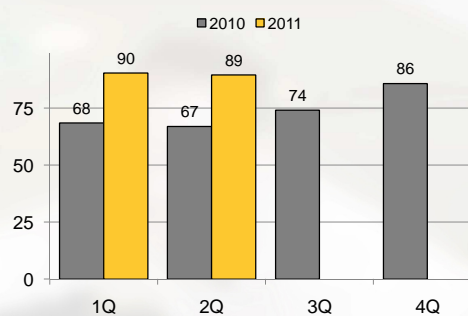
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## Revenues

Total revenues (mnok)



Recurring revenues (mnok)



► Quarterly revenues up NOK 12 million from corresponding quarter in 2010  
 ● Increased recurring revenues compensate for decrease in transaction revenues

► Recurring revenues of NOK 89 million, up from NOK 67 million in 2Q10

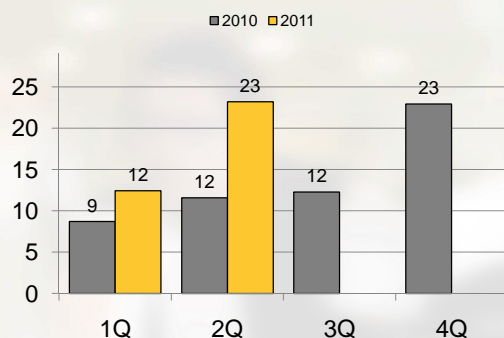
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## Variable operating costs

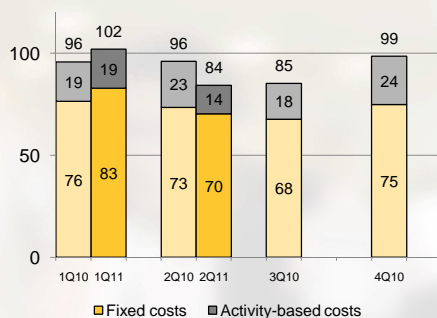


► Variable operating costs at NOK 23 million, compared to NOK 12 million in 2Q10

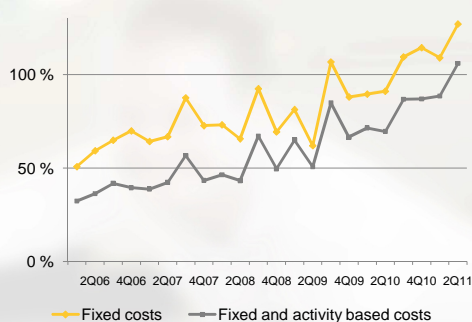
► The increase in variable operating costs is a result of extensive resources allocated to the implementation of the new long-term business model

## Fixed & activity-based operating costs

Fixed & activity-based operating costs (mnok)



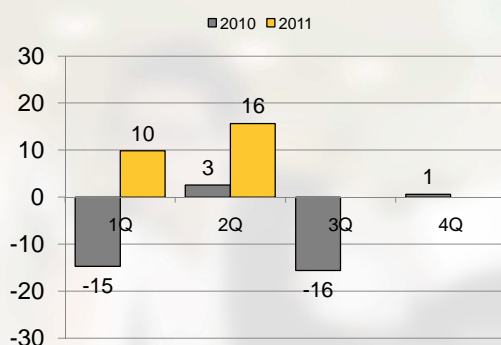
Recurring revenues/costs <sup>1)</sup>



- Recurring revenues cover 127 % of fixed costs in the quarter
- Annual recurring revenues to cover both fixed and activity-based costs in 2011
- VAT correction of NOK 19 million, NOK 11 million in fixed costs and NOK 6 million in activity based costs
- One-off costs related to the Swedish organisation at NOK 6 million in fixed costs



## Operating earnings



► Operating earnings of NOK 16 million

► Sound cost control and increasing revenues ensures profitability in the second quarter of 2011

## Balance sheet

MNOK	30.06.11	30.06.10	31.12.10
Fixed assets	21	18	15
Goodwill	15	16	15
Other intangible assets	39	48	45
Deferred tax asset	34	25	20
Trade receivables	67	65	67
Other receivables	48	29	34
Bank deposits/Treasury bills	236	222	245
<b>Total assets</b>	<b>460</b>	<b>423</b>	<b>441</b>
<b>Equity</b>	<b>321</b>	<b>336</b>	<b>328</b>
Accounts payable	9	1	12
Taxes payable	29	11	9
Overdraft facility	0	0	0
Other taxes and duties payable	19	15	17
Dividends payable	0	0	0
Salaries/commissions payable	34	24	40
Other short term debt	48	37	36
<b>Total debt</b>	<b>139</b>	<b>86</b>	<b>113</b>
<b>Total equity and debt</b>	<b>460</b>	<b>423</b>	<b>441</b>

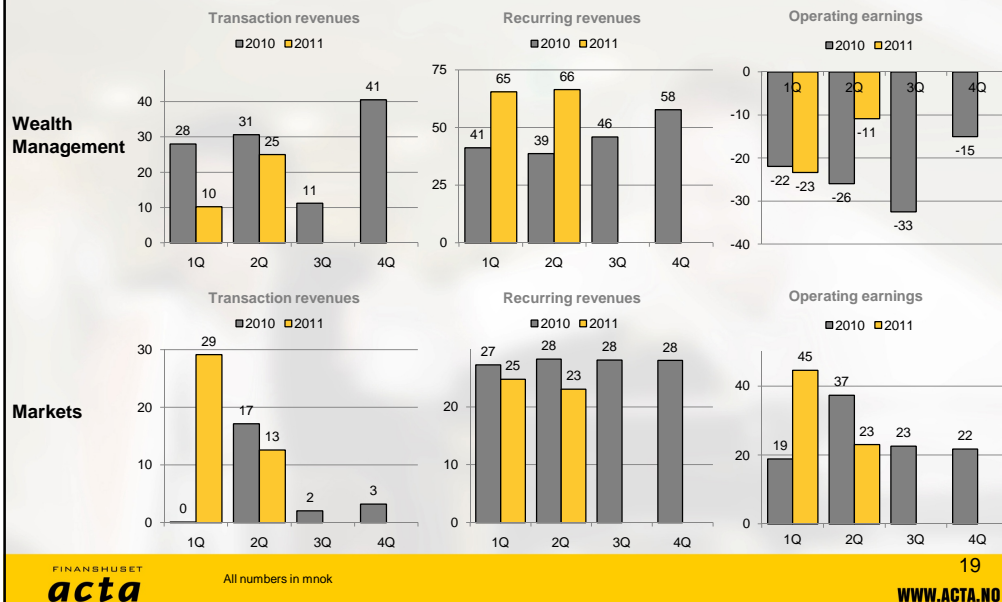
► Acta has very limited risk on its balance sheet

► Acta has a robust financial position

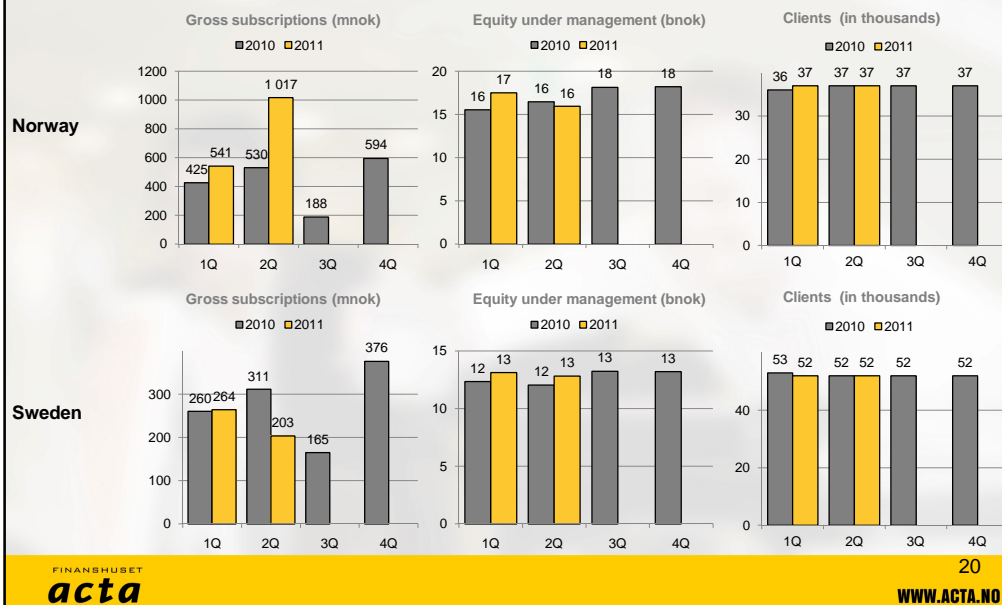
► Acta's liquidity situation is strong with net bank deposits of NOK 236 million at the end of 2Q11



## Segments



## Geographical distribution





## Q & A

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