



## Agenda

- ▶ Adjusting to stricter regulations
- ▶ Changes & Responses
- ▶ Highlights second quarter 2008
- ▶ Interim financial statements
- ▶ Segment information
- ▶ Company outlook

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# Adjusting to stricter regulations

- ▶ MiFID and new interpretations of regulations by the FSA of Norway have changed the working environment for independent financial advisers
- ▶ The only natural position for the largest Nordic non-affiliated investment adviser, is by setting the industry standard for regulatory compliance
  - To be in compliance with FSA of Norway's interpretation of MiFID is management's current primary objective
  - Documented and fundamental changes of internal rules and procedures, products and advisor behaviour
    - Customers: Changes in products, information, pricing structures and advisory content
    - Advisers: Changes in procedures and investment guidelines, training, control and consequences
    - Organisation: Changes in boards, compliance organisation, training and control

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## Aftenposten PENGENE DINE

**TIPS OSS**

- For siden
- Pengene dine
- Skattelestene 2008
- Reise
- Bolig
- Bil & motor
- Båt
- Digital
- Jobb & Studier
- Hyttemagasinet
- Tester
- Vekst
- Guider
- Kalkulatorer
- Kontrakter
- Debatt
- Spør ekspertene
- Bli med
- Nettprat
- Bestill nyhetsbrev
- RSS
- Miniguide
- ØKONOMI

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**- Aksjefond kan bli ulovlig**

Med de nye reglene har det blitt vanskeligere å kjøpe spareprodukter med stor risiko. Kristin Halvorsen er svært kritisk til lånefinansiert sparing. (Foto: Scapio/Montasje)



**- Tung sak for oss**

De innvalgte i Acta Kapitalforvaltning er alle proget

PRISST: Høye priser i Acta Kapitalforvaltning. Lene Høyen, leder for den nye selskapet, sier at de har fått en god start. (Foto: Christian Hennings)

**Politikadvokat: Jobber for å sikre bevis**

De fleste som...

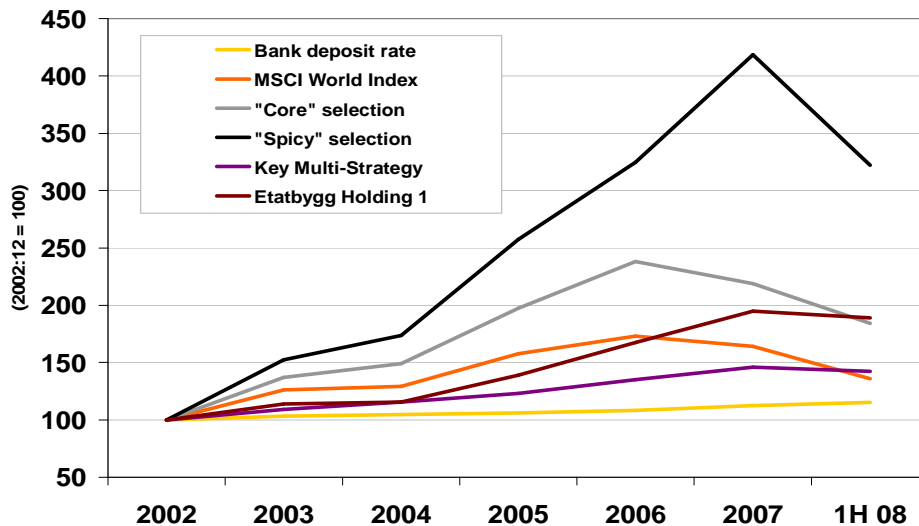
Stavanger: Politikadvokat Erik W. Sand, som er politisk rådgiver for politiet, sier at han har fått en god start. (Foto: Christian Hennings)



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## Return on investments<sup>1)</sup>



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<sup>1)</sup> Accumulated

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## Changes

- ▶ Complicated investment products
- ▶ Information on product fees
- ▶ Fee levels
- ▶ Risk in investments with debt financing
- ▶ Client recruitment

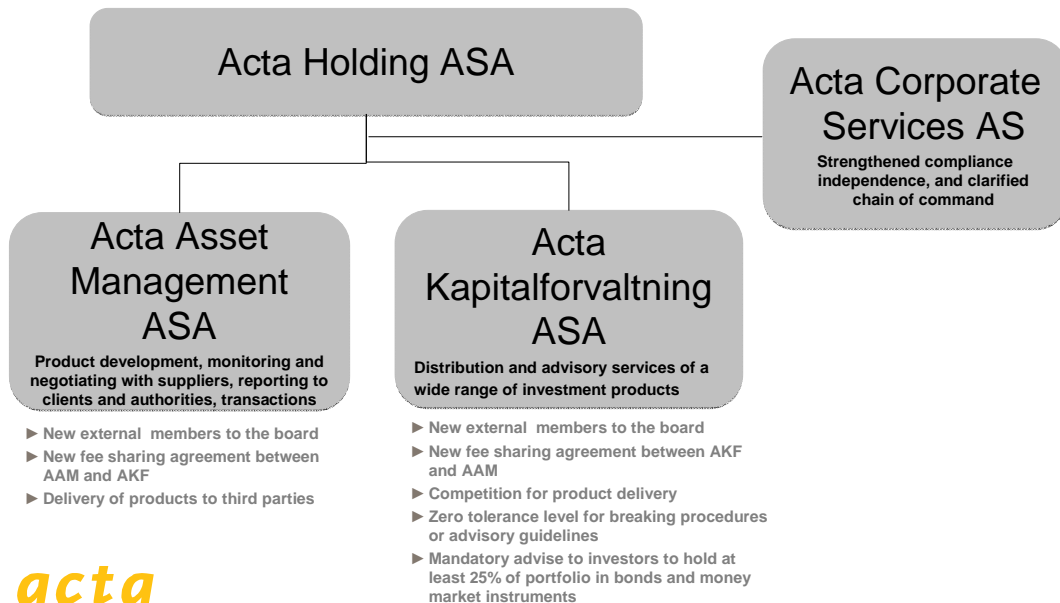
## Responses

- ▶ Not offering Warrants and debt financed ILBs
- ▶ Improved product information
- ▶ Fee reduction and more emphasis on management and performance fees, rather than sales and set-up commissions
- ▶ No debt financing of investments
- ▶ Mandatory advise to investors to hold at least 25% of portfolio in bonds and money market instruments
- ▶ Stricter policy guidelines
- ▶ Zero tolerance level for breaking procedures or advisory guidelines
- ▶ Improved courses and training – emphasis on ethics, compliance & good business practice

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## Clearer company separation



## New fee structure\*

- 1) Reduced up-front fees
  - Lower short term income for Acta
  - Lower up-front costs for customers
- 2) Fees drawn from equity only - not total capital
  - Secures an optimal debt financing of investments and eliminates concerns regarding fee-motivated gearing of investments
- 3) Higher management fees
  - Higher long term income for Acta
  - Creates a closer relationship to the customers, as product performance will be key to future income

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\* For alternative investment products. See enclosures to this presentation for full details

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## Highlights 2nd quarter 2008

- ▶ Weaker financial markets led to gross subscriptions of NOK 3,395 million, compared with NOK 6,729 million for the same period in 2007
- ▶ Revenues of NOK 320 million, compared with NOK 599 million for the same period in 2007
- ▶ Recurring revenues of NOK 75 million, with a coverage factor to fixed costs of 66%
- ▶ Operating earnings of NOK 86 million, compared with NOK 271 million for the corresponding quarter in 2007
- ▶ Assets under management of NOK 90 billion, up 15% from NOK 78 billion at the end of June 2007
- ▶ The Group is solid and has a good liquidity position of more than NOK 450 million after a dividend of NOK 642 million for the 2007 financial year was paid in May
- ▶ Successful first share issue in US Opportunities of more than NOK 1 billion; the highest first share issue ever irrespective of asset class
- ▶ Operations in Sweden remain strong and stable

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## Key financial data

<i>mnok</i>	2Q 2008	2Q 2007	1-2Q 2008	2007
Transaction revenues from new clients <sup>1)</sup>	59	138	95	598
Transaction revenues from existing clients <sup>1)2)</sup>	185	400	437	1,392
<b>Total Transaction revenues</b>	<b>245</b>	<b>538</b>	<b>532</b>	<b>1,990</b>
Recurring revenues	75	58	153	258
Other revenues	0	2	2	22
<b>Total revenues</b>	<b>320</b>	<b>599</b>	<b>687</b>	<b>2,270</b>
Variable operating costs	55	188	125	616
Activity based costs <sup>3)</sup>	59	51	121	354
Fixed costs <sup>3)</sup>	115	87	221	220
<b>Operating earnings</b>	<b>86</b>	<b>271</b>	<b>212</b>	<b>1,069</b>
<b>EPS</b>	<b>0.27</b>	<b>0.79</b>	<b>0.67</b>	<b>3.15</b>
<b>ROE<sup>4)</sup> - annualised</b>	<b>39%</b>	<b>186%</b>	<b>52%</b>	<b>96%</b>

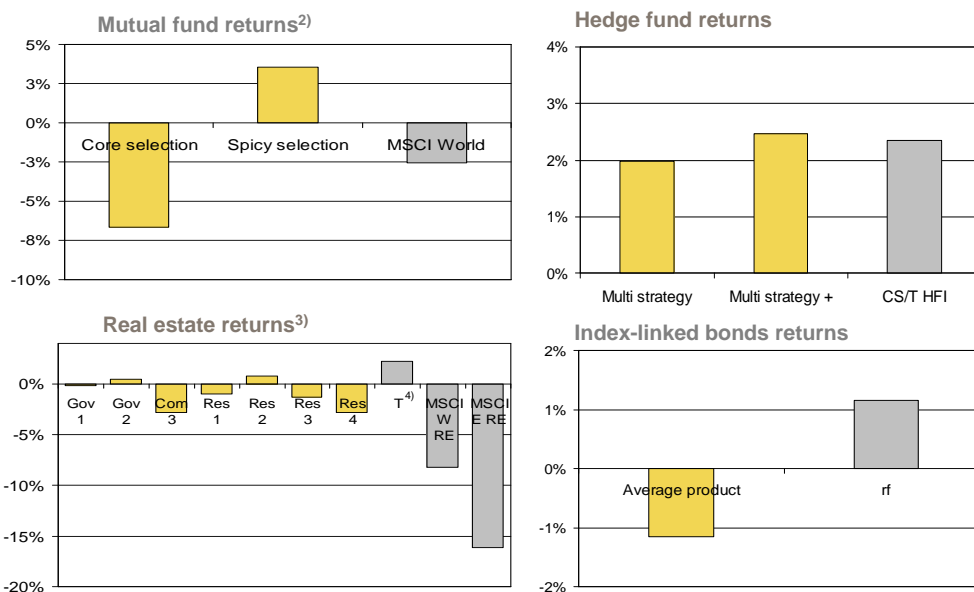
- ▶ Revenues down 279 million kroner compared to second quarter 2007 – mainly due to 3.3 billion kroner in lower subscription volume
- ▶ Recurring revenues are up 17 million kroner relative to 2Q07, due to increased focus on management fees and higher AUM.
- ▶ Investments in Shipping and Real Estate investments at a slightly lower level than second quarter 2007
- ▶ Variable costs down 133 million kroner from 2nd quarter 2007, main reason being lower subscription volumes for the quarter
- ▶ Fixed costs up 28 million kroner compared to second quarter 2007, reflecting a larger organisation.

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- 1) New clients defined as clients with no placed orders prior to 1 Jan 2008
- 2) Assumed same split on revenues from structuring fees as for subscription fees.
- 3) Operating costs have been split into Variable, Activity Based and Fixed Costs as of 4th quarter 2007, where the two latter constitutes what was previously reported as Fixed Operating Costs.
- 4) After tax

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## Return on clients' assets in second quarter <sup>1)</sup>

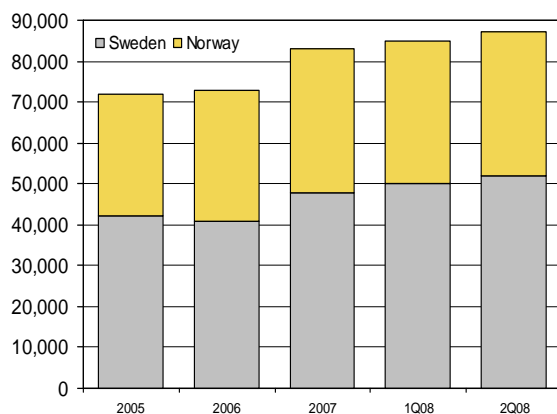


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- 1) Returns in NOK, not annualised  
 2) Return on clients' investments within given fund selection  
 3) Real estate project values are updated quarterly, based on estimates from independent brokers, or official bids for single properties or portfolios of properties. Not volume weighted.  
 4) Target

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## 87,000 clients 35,000 in Norway - 52,000 in Sweden



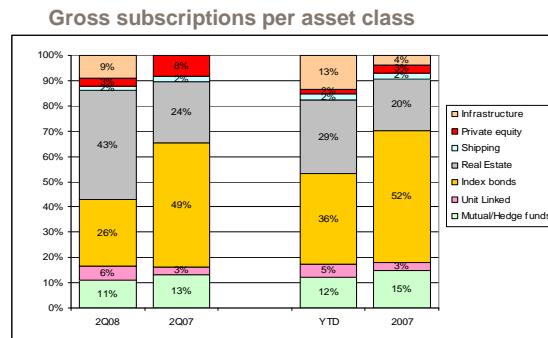
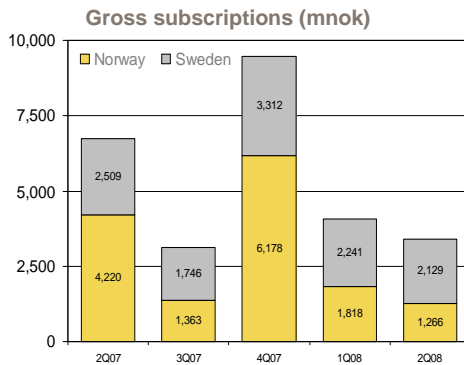
- ▶ Year-to-year growth in number of clients of 12 %
  - Net Increase in Norway of 1,000 (+3 %)
  - Net increase in Sweden of 8,000 (+18 %)
- ▶ Gross increase of 3,300 customers during second quarter 2008 – 700 in Norway and 2,600 in Sweden
- ▶ Net increase of 2,000 clients during the quarter, of which almost all in Sweden
- ▶ Average assets under management per client
  - Norway 1.6 million kroner
  - Sweden 0.65 million kroner
  - Average 1 million kroner
- ▶ Total revenues from existing clients<sup>1)</sup>
  - Norway 90 percent
  - Sweden 74 percent

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1) YTD - New clients defined as clients with no placed orders prior to 1st Jan 2008

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# Gross subscriptions

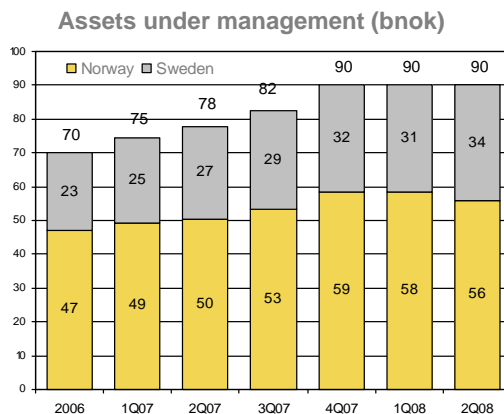


- ▶ Total subscription volumes of 3.4 billion kroner, down from 6.7 billion kroner in second quarter 2007
- ▶ New product initiative US Opportunities with subscription of over 1 billion kroner
- ▶ ILBs have seen a considerable drop in subscription volumes. This is attributable to the decision to stop offering debt financing of these products in Norway. Acta will follow suit and also stop offering debt financing of ILBs in Sweden.
- ▶ Maturity and buy backs of Index Linked Bonds & Warrants of ~3.8 billion kroner during the quarter. Buy backs giving clients exceptional returns of up to 51% over a 3 month period (Warrant Bionæring).
- ▶ Second hand market for shares in Acta's client owned companies with trades of approximately 275 million kroner in second quarter 2008.

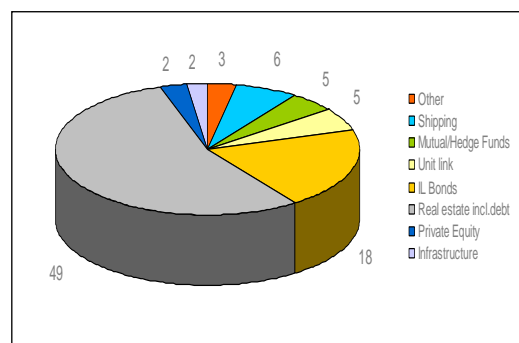
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# Assets under management



**Assets under management per asset class<sup>1)</sup>**



- ▶ AUM at approximately same level as previous quarter. Year-to-year growth of 15%
- ▶ AUM level increased by subscriptions (3.4 bnok) and project related debt from investments in Real Estate and Shipping (~1.2 bnok). AUM reduced by maturity and buy backs of Index Linked Bonds/Warrants (~3.8 bnok) and distribution from Acta's clients' owned companies (~1 bnok)
- ▶ 2.1 billion kroner of equity in Infrastructure have a potential for leveraging, and reserves of over 1 billion kroner in US Opportunities available for investments.
- ▶ Largest asset class is Real Estate, with total AUM of 49 billion kroner (of which 31 billion kroner represent project related debt).

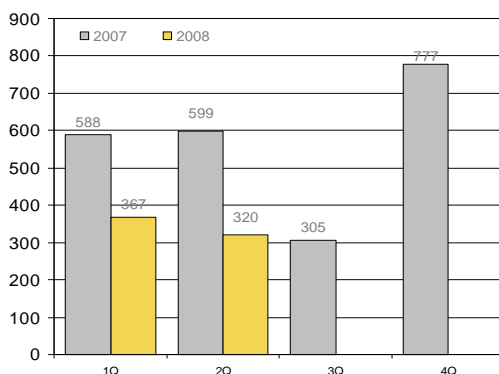
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<sup>1)</sup> Billion NOK

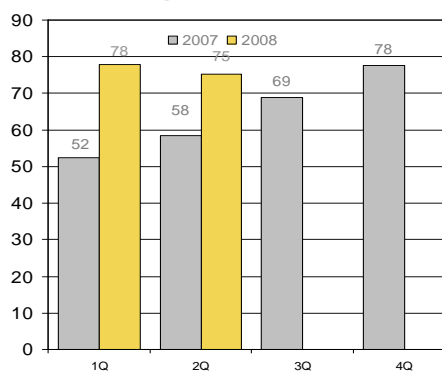
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# Revenues

Total revenues (mnok)



Recurring fees (mnok)

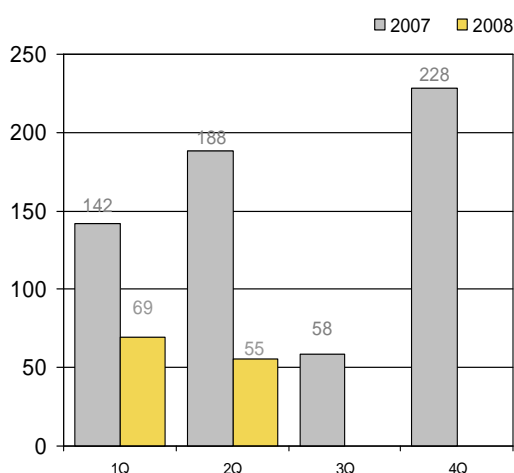


- ▶ Quarterly revenues down 279 million kroner from the second quarter 2007, primarily due to 3.3 billion kroner less in subscriptions and extraordinary revenues of 49 million kroner booked in second quarter 2007.
- ▶ A changed product mix and high volumes in the second hand market for shares in Acta Real Estate companies reduce margins
- ▶ New fee structure in Real Estate with lower up-front fees
- ▶ Recurring fees up 17 million kroner compared to same quarter 2007. Annualised recurring fees at 301 million kroner

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# Variable operating costs



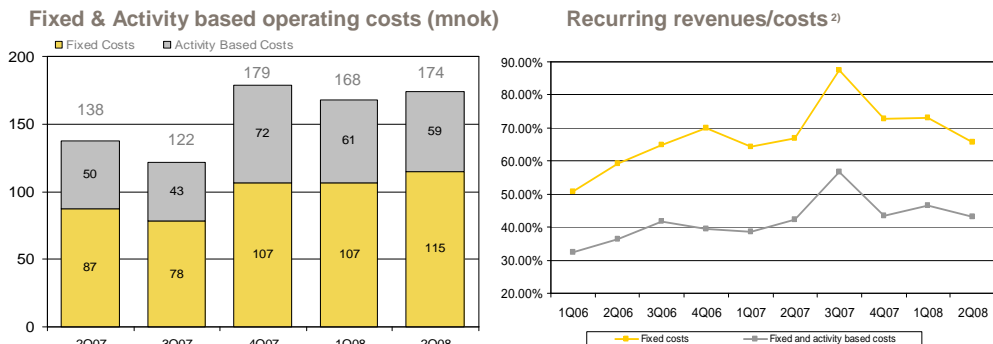
- ▶ 133 million kroner in lower variable operating costs as result of a 3.3 billion kroner in lower subscriptions during the quarter. Variable salary and personnel expenses down 112 million kroner
- ▶ This corresponds well with Acta's favourable business model; where costs are highly correlated to sales and revenues
- ▶ The conclusion of the "K2" incentive program at the end of 2008 also reduces variable costs. At present time, no accruals have been made for the new "K3" program

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## Fixed & Activity Based operating costs<sup>1)</sup>



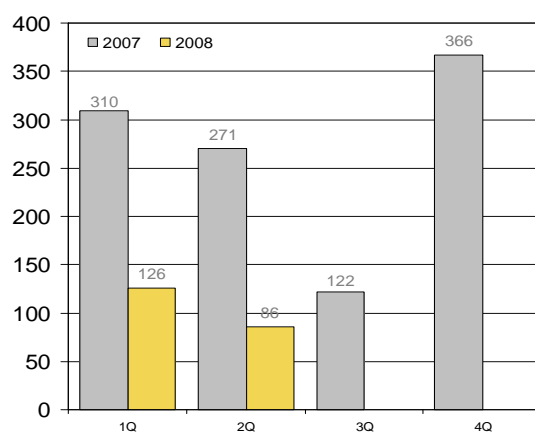
- ▶ Fixed costs 8 million kroner higher than previous quarter and 28 million kroner higher than second quarter 2007 – increase from second quarter 2007 mainly due to personnel costs (+15 mnok) and cost of existing offices and IT (+9 mnok). Increase from 1Q08 mainly due to office costs (+3 mnok) and IT costs (+3 mnok).
- ▶ Activity based costs lower compared to previous quarter as a result of reduced focus on client acquisition – increase from second quarter 2007 due to higher customer recruitment and consultancy costs (8 mnok)
- ▶ Approximately 66 percent of fixed costs are covered by recurring revenues, same level as comparable quarter 2007

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- <sup>1)</sup> Operating costs have been split into Variable, Activity Based and Fixed Costs as of 4th quarter 2007, where the two latter constitutes what was previously reported as Fixed Operating Costs.  
<sup>2)</sup> Strong third quarter ratio all years due to replacement of salaries with accrued vacation pay in Norway in July.

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## Operating earnings



- ▶ Quarterly operating earnings of 86 million kroner – down 185 million kroner from second quarter 2007
- ▶ Reduction is primarily explained by lower revenues from sales and a change in the product mix
- ▶ However, even in turbulent market conditions Acta's operations are healthy and profitable
- ▶ This is a result of variable operating costs being strongly correlated to sales revenues, and shows the strength in Acta's business model

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## Balance sheet

MNOK	30.06.08	31.12.07
Fixed assets	75	52
Goodwill	6	6
Other intangible assets	0	0
Deferred tax asset	4	4
Trade receivables	163	138
Other receivables	20	9
Bank deposits/Treasury bills	506	1,674
<b>Total assets</b>	<b>773</b>	<b>1,882</b>
<b>Equity</b>	<b>411</b>	<b>885</b>
Accounts payable	8	21
Taxes payable	114	355
Overdraft facility	48	102
Other taxes and duties payable	65	74
Dividend payable	0	0
Salaries/commissions payable	99	414
Other short term debt	28	32
<b>Total debt</b>	<b>362</b>	<b>998</b>
<b>Total equity and debt</b>	<b>773</b>	<b>1,882</b>

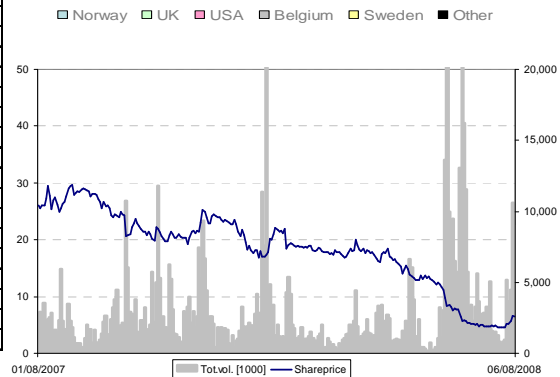
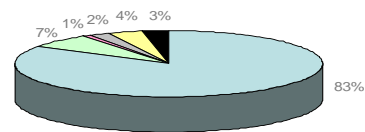
- ▶ Acta has very limited risk on its balance sheet and continues to have no direct exposure to loans in the subprime markets.
- ▶ The group's liquidity situation is very good, with net bank deposits and short-term government papers of NOK 457 million at the end of the quarter.
- ▶ The company is solid, and has a good financial standing.

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## Shareholder information<sup>1)</sup>

Name	Shares	%
COIL INVESTMENT GROUP AS	29,868,547	11.9 %
BEST INVEST AS	12,808,707	5.1 %
BJELLAND TRADING AS	11,397,000	4.5 %
HANDELSBANKEN MARKETS	8,453,000	3.4 %
MORGAN STANLEY & CO. INC.	8,048,626	3.2 %
TVETERAAS EIENDOMSSKAP A/S	7,664,200	3.0 %
SANDEN A/S	6,981,568	2.8 %
ABG SUNDAL COLLIER NORGE ASA	6,600,000	2.6 %
RBC DEXIA INVESTOR SERVICES BANK	6,197,750	2.5 %
CARNEGIE INVESTMENT BANK AB	5,727,911	2.3 %
OTIUM FINANS AS	5,605,000	2.2 %
MONS HOLDING AS	5,583,750	2.2 %
GLITNIR BANKI HF	3,920,600	1.6 %
LANDSBANKI ISLANDS HF	3,590,200	1.4 %
BANK OF NEW YORK, BRUSSELS BRANCH	3,283,000	1.3 %
COIL FINANCIAL HOLDING AS	3,200,000	1.3 %
REODOR AS	2,770,000	1.1 %
ARCTIC SECURITIES ASA	2,584,600	1.0 %
INTERNATIONAL OILFIELD SERVICES AS	2,500,000	1.0 %
IKM INVEST AS	2,119,400	0.8 %
<b>20 largest shareholders</b>	<b>138,903,859</b>	<b>55.2 %</b>
Remaining shareholders	112,779,573	44.8 %
<b>SUM</b>	<b>251,683,432</b>	<b>100.0 %</b>

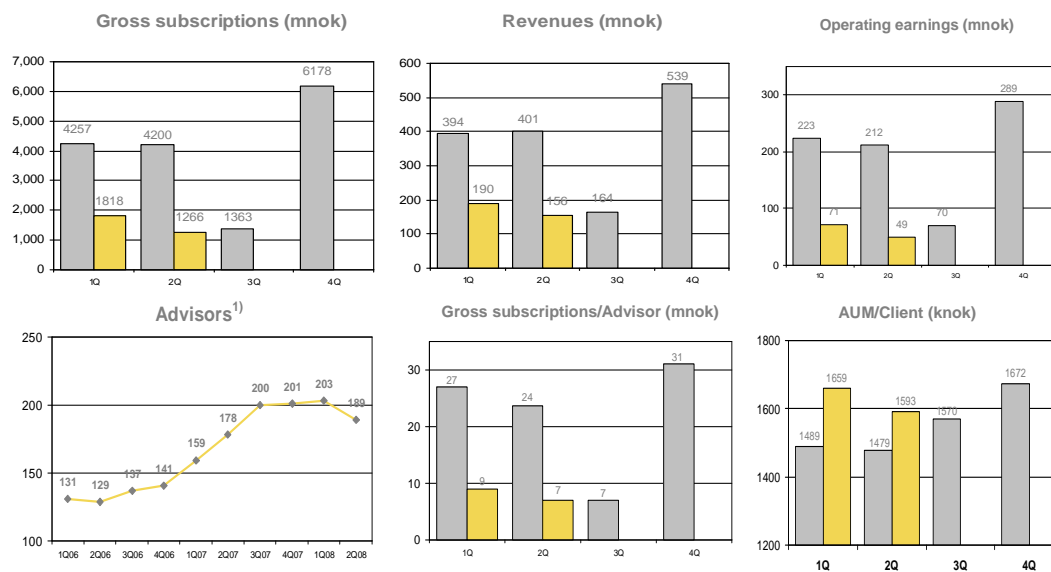


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<sup>1)</sup> As of 06.08.2008

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# Norway

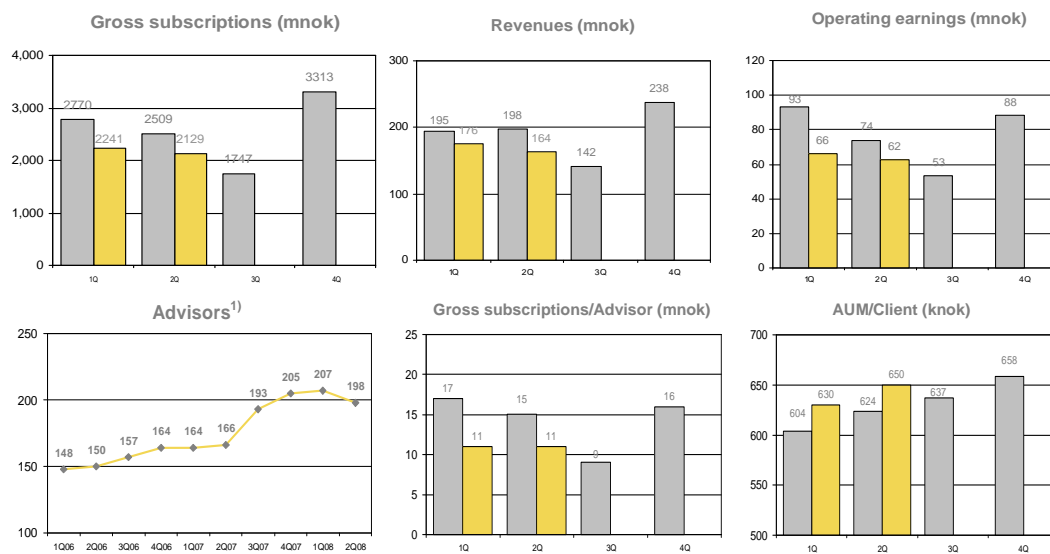


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<sup>1)</sup> Includes branch managers, advisors and trainees

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# Sweden



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<sup>1)</sup> Includes branch managers, advisors and trainees

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## Company Outlook

- ▶ Adapt to new regulations
- ▶ Client focus
- ▶ Gradually change to a new business model
- ▶ Compact and motivated organisation
- ▶ Continued product innovation
- ▶ Given the changes in the business model and regulatory conditions, Acta expects an acceptable financial result for the year as a whole

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## Enclosures

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## Fees

	Subscription fee (of equity)	Project and share issue fees, of TC	Yearly mngmt fee, of TC	Yearly cost in % p.a., of net invested amount		
				3 years	7 Years	10 years
Norwegian Mutual Funds	2.50%	0.00%	1.50%	2.3 %	1.9 %	1.8 %
International Mutual Funds	5.00%	0.00%	2.00%	3.7 %	2.7 %	2.5 %
Unit Link	5.00%	0.00%	2.62%	4.3 %	3.3 %	3.1 %
Fund of Hedge Funds	5.00%	0.00%	1.50%	3.2 %	2.2 %	2.0 %
<b>Alternative investment products offered by Acta</b>						
Old Fee Structure	2.00%	6.00%	0.35%	6.3 %	4.3 %	3.4 %
New Fee Structure	2.00%	10.00%	1.50%	4.8 %	3.2 %	2.7 %
<b>Alternative investment products offered by others</b>						
Competitor # 1	7.60%	1.20%	0.85%	6.9 %	5.5 %	5.1 %
Competitor # 2	3.00%	4.25%	0.13%	4.3 %	3.4 %	2.5 %
Competitor # 3	5.00%	3.25%	0.25%	4.9 %	3.6 %	2.9 %
Competitor # 4	9.00%	0.95%	0.85%	6.5 %	4.8 %	4.4 %
<i>Source: Product prospectuses</i>						

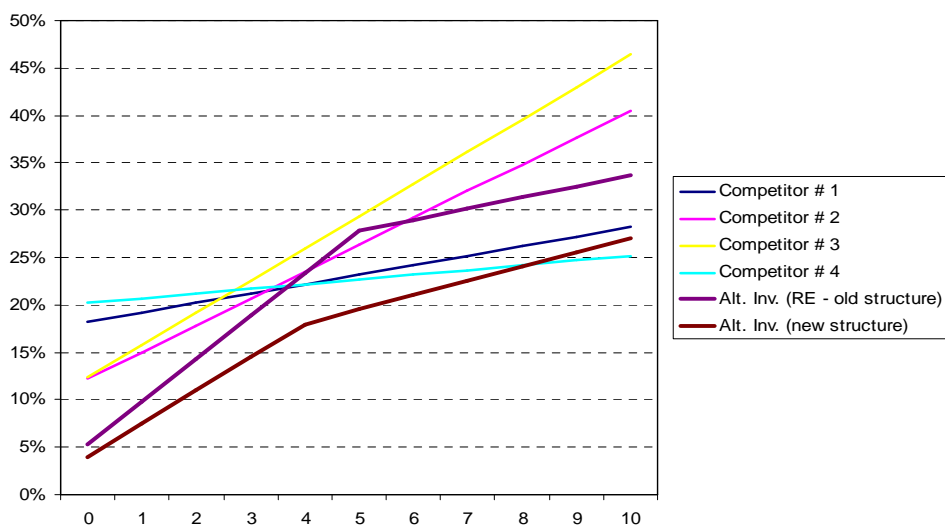
Presumptions:

1. All costs taken into consideration, except potential success fees.
2. Subscription fees calculated from committed capital (equity). Share issue, project and management fees calculated from total capital.
3. Costs calculated on the basis of expected return on the investments in the different client owned companies. This impacts management fees.
4. TC = Total Capital. For Acta's new fee structure, fees are drawn from Equity only.

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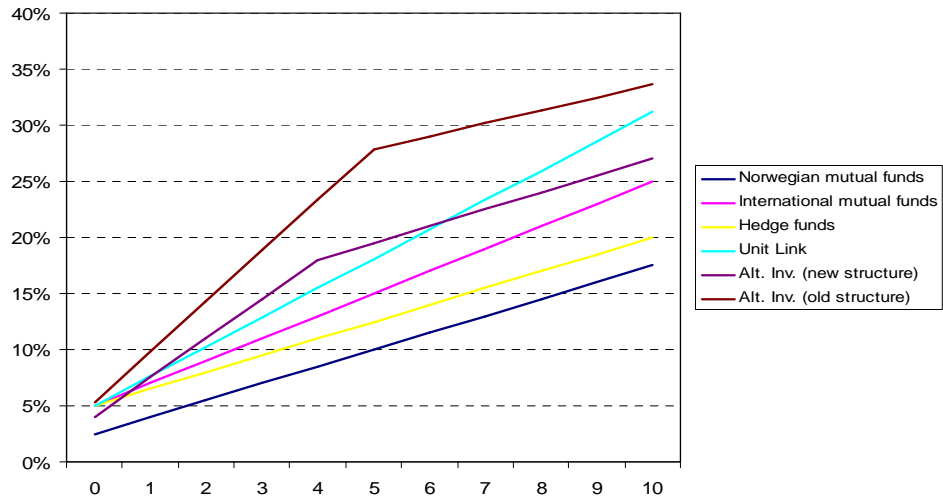
## Real estate fees (% of equity)



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## Acta products fees (% of equity)



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