

## Highlights 2<sup>nd</sup> quarter in 2006 (2<sup>nd</sup> quarter in 2005)

- Payments from portfolios NOK 441.4 million (+4.4%)
- Total operating revenue NOK 356.7 million (-1.1%)
- Profit before tax NOK -329.3 million (-493.5%)
- EBITDA NOK 347.3 million (353.5)
- Cash flow per share NOK 7.73 (6.71)
- Change in portfolio collection estimates of NOK -426.1 million (-135.8m)
- Total acquisitions in 2<sup>nd</sup> quarter of NOK 467.9 million including portfolios in Germany with face value of approximately EUR 158 million and 36 000 accounts and in Spain with a face value of approximately EUR 21.5 million and 9 000 accounts

## Highlights as at 30.06.2006 (30.06.2005)

- Payments from portfolios NOK 893.5 million (+7.5%)
- Total operating revenue NOK 739.3 million (+3.3%)
- Profit before tax NOK -272.7 million (-546.2%)
- EBITDA NOK 699.2 million (675.1)
- Cash flow per share NOK 14.07 (12.58)
- Change in portfolio collection estimates of NOK -494.4 million (-200.3)
- Total acquisitions of NOK 1 063.7 million

*EBITDA is defined as operating profit + depreciation of tangible fixed assets+amortisation of intangible fixed assets- interest earned on portfolios (including the change in portfolio collection estimates) + cash received on portfolios.*

### INCOME STATEMENT

(All amounts in NOK thousand)

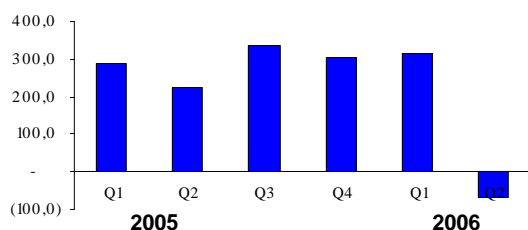
|  | Q2 2006         | Q2 2005       | Jan- Jun 2006   | Jan- Jun 2005  | Year 2005      |
|--|-----------------|---------------|-----------------|----------------|----------------|
| Total operating revenue                  | 356 695         | 360 719       | 739 262         | 715 620        | 1 438 348      |
| Change in portfolio collection estimates | -426 141        | -135 756      | -494 419        | -200 262       | -279 249       |
| Payroll expenses                         | 80 745          | 69 269        | 168 528         | 146 526        | 310 542        |
| Depreciation of tangible fixed assets    | 16 307          | 18 129        | 31 615          | 32 879         | 57 359         |
| Amortisation of intangible fixed assets  | 1 608           | 1 861         | 3 216           | 3 755          | 7 464          |
| Other operating expenses                 | 112 173         | 99 153        | 222 985         | 201 363        | 390 811        |
| <b>Operating profit</b>                  | <b>-280 279</b> | <b>36 551</b> | <b>-181 501</b> | <b>130 835</b> | <b>392 923</b> |
| Net financial items                      | -49 015         | -37 217       | -91 213         | -69 711        | -132 087       |
| <b>Profit before tax</b>                 | <b>-329 294</b> | <b>-666</b>   | <b>-272 714</b> | <b>61 124</b>  | <b>260 836</b> |
| Income tax expense                       | -65 859         | -127          | -54 543         | 11 696         | 49 907         |
| <b>Profit for the period</b>             | <b>-263 435</b> | <b>-539</b>   | <b>-218 171</b> | <b>49 429</b>  | <b>210 929</b> |
| <b>Earnings per share</b>                | <b>(5,59)</b>   | <b>(0,01)</b> | <b>(4,63)</b>   | <b>1,05</b>    | <b>4,47</b>    |
| <b>Cash flow per share</b>               | <b>7,73</b>     | <b>6,71</b>   | <b>14,07</b>    | <b>12,58</b>   | <b>26,03</b>   |

*Earnings per share is defined as profit for the period divided by number of shares less treasury shares.*

*Cash flow per share is defined as (profit for the period+ depreciation of tangible fixed assets+amortisation of intangible fixed assets-interest earned on portfolios (including the change in portfolio collection estimates) + cash received on portfolios) divided by the number of shares less treasury shares.*

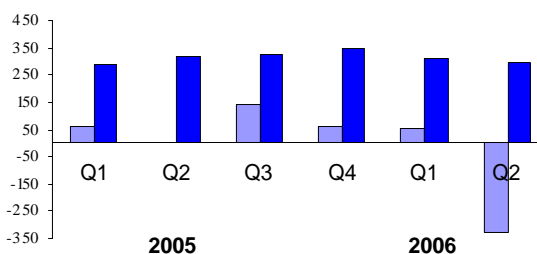
MNOK

OPERATING REVENUE



MNOK

■ PRETAX PROFIT ■ CASH FLOW BEFORE TAX



In the 2<sup>nd</sup> quarter of 2006, Aktiv Kapital achieved operating revenues of NOK 356.7 million (360.7) before the change in portfolio collection estimates of NOK 426.1 million.

During the 2<sup>nd</sup> quarter of 2006, Aktiv Kapital engaged two independent consultants to perform valuations of the portfolios. Both valuations conclude with excess values compared to net book values for the aggregate number of portfolios, while a few specific portfolios are not performing as expected and hence have a fair market value less than the net book value. Some of the latter portfolios have been acquired during the last 18 months and have a short history during start up phase, and therefore a limited basis for assessing the long- term cash flow. Furthermore, a likely change in the legislation in Finland that render personal claims over 15 years old worthless after March 2008 makes it prudent to write down the value of the Finnish portfolios. The IFRS accounting rules do not allow for off-setting positive portfolio adjustments against negative portfolio adjustments. On the basis of these valuations, and given the situation in Finland, the value of the portfolios has been reduced with NOK 426.1 million.

Substantial resources will be allocated to optimize and track the Company s debt collection operation. The target will be to improve the basis for assessing new portfolios as well as optimizing the cash flow from existing portfolios.

Cash received from portfolios in the 2<sup>nd</sup> quarter amounted to NOK 441.4 million (422.9), an increase of 4.4%. Operating profit including the portfolio revaluation for the quarter was NOK - 280.3 million. EBITDA in the 2<sup>nd</sup> quarter was NOK 347.3 million (353.5). The increase in payroll and other operating expenses is mainly due to the inclusion of the subsidiary in Canada acquired in the 4<sup>th</sup> quarter of 2005 and increased fees.

### **Accounting principles**

These interim financial statements have been prepared in accordance with IAS 34. The financial statements for the 2<sup>nd</sup> quarter in 2005 have been restated to best reflect the adjustments recorded in the 4<sup>th</sup> quarter in 2005 which related also to the 2<sup>nd</sup> quarter in 2005. These interim financial statements have been prepared in accordance with the same accounting principles as in the annual financial statements.

## **Comments on the results for the 2<sup>nd</sup> quarter of 2006**

### **Portfolios**

In the 2<sup>nd</sup> quarter in 2006, cash collections on portfolios were NOK 441.4 million representing an increase of 4.4% compared to the 2<sup>nd</sup> quarter in 2005. Interest income on portfolios for the 2<sup>nd</sup> quarter 2006 amounted to NOK 257.9 million before the change in portfolio collection estimates, a decrease of 1.0% compared to the 2<sup>nd</sup> quarter in 2005. Operating profit, including the effect of the portfolio revaluation in the 2<sup>nd</sup> quarter in 2006 was NOK -280.3 million.

During the 2<sup>nd</sup> quarter, Aktiv Kapital purchased the second tranche related to the agreement signed in the 1<sup>st</sup> quarter of 2006 with one of the major issuers of consumer credit in Germany. With this Aktiv Kapital acquired more than 36 000 unsecured loan and credit card accounts with a face value of approximately EUR 158 million. (NOK 1 264 million) In Spain, an agreement to purchase a credit card portfolio with a total face value of EUR 21.5 million (NOK 170 million) consisting of close to 9 000 accounts strengthened the company's position in the Spanish market. Aktiv Kapital's Canadian business entered into agreements with 3 institutions to buy portfolios with a total face value of CAD 23 million (NOK 115 million) consisting of approximately 6 000 accounts.

Additional portfolios were acquired in Denmark, Sweden, Norway, Austria and the UK.

As a result of these transactions, including existing forward flow arrangements, Aktiv Kapital has invested close to NOK 1 100 million in new portfolios in the first 6 months of 2006, compared to total portfolio acquisitions of NOK 857.8 million for the full year of 2005.

### **Debt collection**

Income from debt collection in the 2<sup>nd</sup> quarter of 2006 amounted to NOK 60.3 million (59.3). The operating profit margin decreased from NOK 17.8 million in the 2<sup>nd</sup> quarter of 2005 to NOK 8.5 million in the 2<sup>nd</sup> quarter of 2006. However the operating profit has increased by 26% compared to the 1<sup>st</sup> quarter of 2006.

The decrease in operating profit during the last 12 months is mainly due to the continued competitive market especially in Norway where the margins are under pressure. In addition costs in Norway have increased due to a change in accounting procedures related to fees. The increase in fees in the 2<sup>nd</sup> quarter amounts to NOK 2.4 million compared to 2<sup>nd</sup> quarter 2005 and to 1<sup>st</sup> half of 2006 the effect is NOK 4.8 million which is non recurring.

### **Administrative and financial services (AFS)**

With revenues of NOK 23.8 million (22.4) in the 2<sup>nd</sup> quarter, the revenue growth for the AFS business segment is 6%. The operating profit in the 2<sup>nd</sup> quarter of 2006 amounted to NOK 6.0 million (3.4), an increase of 79%.

### **Net financial items**

The quarters net financial items amounted to NOK 49.0 million. (37.2). Interest expense was higher than in the corresponding period of the previous year due to a higher debt level.

### **Tax**

Quarterly earnings were charged with an estimated tax rate of 20 percent. The Group's tax expense is dependent, in part, on how earnings are distributed between subsidiaries in different countries with different tax rates.

## **Dividend payment**

In accordance with the resolution of the Annual General Meeting on 22 May 2006, NOK 212.4 million (165.2) has been paid as a dividend to the parent company's shareholders.

## **Financing**

Aktiv Kapital ASA has signed a loan agreement with a bank syndicate for establishing a multicurrency revolving credit facility with an upper limit of NOK 3 500 million. The loan agreement has a total term of 5 years, with a repayment profile up to 6 years. The initial drawdown has taken place early in the 3<sup>rd</sup> quarter in 2006 and refinanced the Group's existing interest-bearing mortgage debt related to existing portfolios.

The agreement does not cover the financing of the AFS business nor the financing of Crystal Production.

The Group continues to evaluate its currency and interest rate positions, and will monitor its hedging strategies in accordance with what is seen in the market.

At June 30, 2006 the Group had liquid assets of NOK 409.4 million of which NOK 196.5 million were free as reserves, while NOK 212.9 were restricted.

## **Outlook**

The different European countries are at different stages in their economic cycle. While the UK market shows increased number of personal defaults, the German market is showing signs of recovery from a weak situation. The Board finds it important to interpret these trends in order to time investments in new portfolios as well as maximize collection from existing portfolios. We expect that the number of portfolios available for sale will increase in the years to come. This increased number of portfolios available may lead to lower prices and stimulate a lower short term growth particularly in the UK market. The Central and Eastern European market may stimulate a higher investment activity.

The good liquidity position and strong equity basis gives the Company a solid foundation. The cashflow from existing portfolios gives large opportunities to grow the company further.

The Board has a positive outlook for the Company.

Oslo, 10 August 2006

The Board of Directors of Aktiv Kapital ASA

## OPERATING REVENUE PER BUSINESS AREA

(All amounts in NOK thousand)

|  | Q2<br>2006     | Q2<br>2005     | Change      | Jan- Jun<br>2006 | Jan- Jun<br>2005 | Change     |
|--|----------------|----------------|-------------|------------------|------------------|------------|
| Interest income on portfolios            | 257 885        | 261 738        | -1 %        | 542 012          | 523 728          | 3 %        |
| Debt collection                          | 60 322         | 59 314         | 2 %         | 120 557          | 114 050          | 6 %        |
| AFS                                      | 23 756         | 22 410         | 6 %         | 48 166           | 44 245           | 9 %        |
| Other operating revenues                 | 14 732         | 17 257         | -15 %       | 28 527           | 33 597           | -15 %      |
| <b>Total operating revenues</b>          | <b>356 695</b> | <b>360 719</b> | <b>-1 %</b> | <b>739 262</b>   | <b>715 620</b>   | <b>3 %</b> |
| Change in portfolio collection estimates | -426 141       | -135 756       |             | -494 419         | -200 262         |            |
| <b>Net operating revenues</b>            | <b>-69 446</b> | <b>224 963</b> |             | <b>244 843</b>   | <b>515 358</b>   |            |

## OPERATING PROFIT PER BUSINESS AREA

(All amounts in NOK thousand)

|  | Q2<br>2006      | Q2<br>2005    | Change        | Jan- Jun<br>2006 | Jan- Jun<br>2005 | Change        |
|--|-----------------|---------------|---------------|------------------|------------------|---------------|
| Portfolios   | -277 505        | 25 826        | -1175 %       | -179 455         | 119 443          | -250 %        |
| Debt collection  | 8 539           | 17 880        | -52 %         | 15 318           | 24 831           | -38 %         |
| AFS  | 6 004           | 3 355         | 79 %          | 11 104           | 6 971            | 59 %          |
| <b>Profit before group costs and<br/>amortisation of intangible assets</b> | <b>-262 962</b> | <b>47 061</b> | <b>-659 %</b> | <b>-153 033</b>  | <b>151 245</b>   | <b>-201 %</b> |
| Group overhead costs   | -15 709         | -8 649        | 82 %          | -25 252          | -16 655          | 52 %          |
| Amortisation of intangible assets  | -1 608          | -1 861        | -14 %         | -3 216           | -3 755           | -14 %         |
| <b>Operating profit</b>  | <b>-280 279</b> | <b>36 551</b> | <b>-867 %</b> | <b>-181 501</b>  | <b>130 835</b>   | <b>-239 %</b> |
| Net financial items  | -49 015         | -37 217       | 32 %          | -91 213          | -69 711          | 31 %          |
| <b>Profit before tax</b>   | <b>-329 294</b> | <b>-666</b>   |               | <b>-272 714</b>  | <b>61 124</b>    |               |

## BALANCE SHEET

(All amounts in NOK thousand)

|                                       | June 30, 2006    | June 30, 2005    | December 31, 2005 |
|---------------------------------------|------------------|------------------|-------------------|
| <b>Assets</b>                         |                  |                  |                   |
| <b>Non- current assets</b>            |                  |                  |                   |
| Tangible assets                       | 92 402           | 131 177          | 119 400           |
| Intangible assets                     | 111 880          | 40 055           | 118 514           |
| Loans and receivables                 | 4 527 170        | 4 092 628        | 4 343 411         |
| Other financial assets                | 1 690            | 27 239           | 25 456            |
| <b>Total</b>                          | <b>4 733 142</b> | <b>4 291 099</b> | <b>4 606 781</b>  |
| <b>Current assets</b>                 |                  |                  |                   |
| Other current assets                  | 306 063          | 284 182          | 333 654           |
| Cash and short-term deposits          | 409 381          | 663 103          | 643 951           |
| <b>Total</b>                          | <b>715 444</b>   | <b>947 285</b>   | <b>977 605</b>    |
| <b>Total assets</b>                   | <b>5 448 586</b> | <b>5 238 384</b> | <b>5 584 386</b>  |
| <b>Equity</b>                         |                  |                  |                   |
| Share capital                         | 4 719            | 4 719            | 4 719             |
| Treasury shares                       | -10              | -                | -10               |
| Additional paid in capital            | 1 540 785        | 1 540 785        | 1 540 785         |
| Retained earnings                     | 68 851           | 532 342          | 514 772           |
| <b>Total equity</b>                   | <b>1 614 345</b> | <b>2 077 846</b> | <b>2 060 266</b>  |
| <b>Liabilities</b>                    |                  |                  |                   |
| <b>Non- current liabilities</b>       |                  |                  |                   |
| Interest-bearing loans and borrowings | 38 524           | 1 454 672        | 555 194           |
| Provisions                            | 400 448          | 451 826          | 441 388           |
| <b>Total</b>                          | <b>438 972</b>   | <b>1 906 498</b> | <b>996 582</b>    |
| <b>Current liabilities</b>            |                  |                  |                   |
| Interest-bearing loans and borrowings | 3 082 395        | 987 746          | 2 042 281         |
| Other current liabilities             | 312 874          | 266 294          | 485 257           |
| <b>Total</b>                          | <b>3 395 269</b> | <b>1 254 040</b> | <b>2 527 538</b>  |
| <b>Total liabilities</b>              | <b>3 834 241</b> | <b>3 160 538</b> | <b>3 524 120</b>  |
| <b>Total equity and liabilities</b>   | <b>5 448 586</b> | <b>5 238 384</b> | <b>5 584 386</b>  |

## EQUITY MOVEMENTS

(All amounts in NOK thousand)

|  | Jan- Jun<br>2006 | Year<br>2005     |
|--|------------------|------------------|
| Equity 1 January                       | 2 060 266        | 2 094 769        |
| Capital increase                       | -                | 649              |
| Treasury shares                        | -                | -9 002           |
| Profit in the period                   | -218 171         | 210 929          |
| Paid dividend                          | -212 366         | -165 174         |
| Translation adjustment                 | -15 384          | -71 905          |
| <b>Equity at the end of the period</b> | <b>1 614 345</b> | <b>2 060 266</b> |

**CASH FLOW STATEMENT**  
(All amounts in NOK thousand)

**Jan- Jun 2006**

**Jan- Jun 2005**

**Year 2005**

**Cash flows from operating activities**

|   |                |                |                  |
|---|----------------|----------------|------------------|
| Profit for the period                               | -218 171       | 49 429         | 210 929          |
| Tax expense   | -54 543        | 11 696         | 49 907           |
| Depreciation of tangible assets                     | 31 615         | 32 879         | 57 359           |
| Amortisation  | 3 216          | 3 755          | 7 464            |
| Changes in accounts receivables                     | 16 977         | 41 167         | 10 758           |
| Changes in acquired and financed receivables        | 10 614         | -8 342         | -34 380          |
| Changes in accounts payable                         | 15 059         | 3 270          | -16 112          |
| Changes in other accruals                           | -206 355       | -28 848        | 41 427           |
| Cash received on portfolios                         | 893 495        | 831 095        | 1 727 549        |
| Interest earned on portfolios                       | -47 593        | -323 466       | -775 070         |
| <b>Net cash generated from operating activities</b> | <b>444 314</b> | <b>612 635</b> | <b>1 279 831</b> |

**Cash flows from investing activities**

|   |                   |                 |                   |
|---|-------------------|-----------------|-------------------|
| Purchases of tangible assets                    | -4 617            | -3 890          | -15 572           |
| Acquisition of subsidiary, net of cash acquired | -                 | -16 768         | -401 472          |
| Purchase of loans and receivables               | -1 063 741        | -568 268        | -857 773          |
| Changes in other investments                    | 23 766            | 17 362          | 9 464             |
| <b>Net cash used in investment activities</b>   | <b>-1 044 592</b> | <b>-571 564</b> | <b>-1 265 353</b> |

**Cash flows from financing activities**

|  |                |                |                |
|--|----------------|----------------|----------------|
| Dividends paid to company's shareholders   | -212 366       | -165 174       | -165 174       |
| Dividends paid on treasury shares          | 450            | -              | -              |
| Proceeds/repayments of borrowings          | 523 444        | 313 453        | 441 657        |
| Proceeds from share issue                  | -              | 650            | 650            |
| <b>Cash flow from financing activities</b> | <b>311 528</b> | <b>148 929</b> | <b>277 133</b> |

**Net increase in cash and bank overdrafts**

|  |                |                |                |
|--|----------------|----------------|----------------|
| Net foreign exchange differences                         | 18 246         | 117 896        | -24 930        |
| Cash and bank overdrafts at beginning of the period      | 597 000        | 330 319        | 330 319        |
| <b>Cash and bank overdrafts at the end of the period</b> | <b>326 496</b> | <b>638 216</b> | <b>597 000</b> |