

Interim report  
2<sup>nd</sup> quarter and 1<sup>st</sup> half of 2008

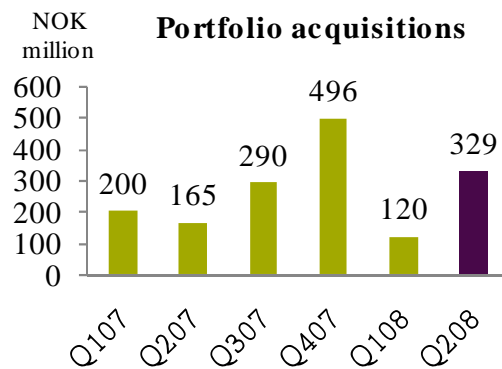
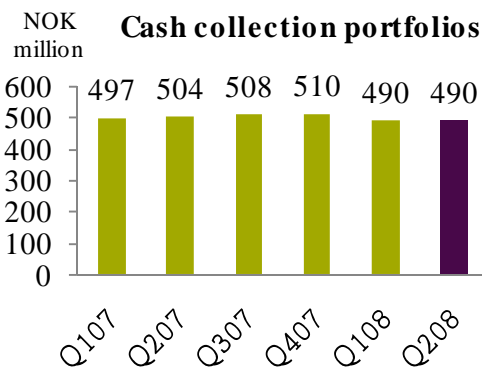


## Key figures

### Key figures by quarter

(NOK thousand, except per share and ratio information)

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Collection on portfolios	489 760	489 872	510 230	507 945	503 706	496 925
Total operating revenue	392 746	393 517	375 547	383 987	400 600	415 228
Operating profit	147 008	144 219	120 443	150 427	175 756	187 942
Profit before tax	119 904	60 834	59 851	81 404	160 078	174 224
EBITDA	350 347	328 975	358 019	363 717	374 027	368 385
Portfolio acquisitions	329 400	120 447	495 548	290 370	165 273	199 956
Pre-tax cash flow per share	6,87	5,22	6,32	6,26	7,61	7,53
Earnings per share	1,98	1,00	1,06	1,35	2,66	2,95
OPEX ratio Total revenue	63 %	63 %	68 %	61 %	56 %	55 %
OPEX ratio Cash flow portfolios	32 %	32 %	33 %	27 %	28 %	27 %
OPEX ratio Debt collection revenue	77 %	93 %	82 %	89 %	73 %	84 %
Debt / equity ratio	1,87	1,77	1,94	1,84	2,05	2,40



Cash collection in the 1<sup>st</sup> half of 2008 measured in Norwegian kroner are negatively affected by the strengthening of Norwegian kroner compared to previous quarters. Using exchange rates for the 2<sup>nd</sup> quarter of 2007, cash collection in the 2<sup>nd</sup> quarter of 2008 increased by 4.8 % compared to the 2<sup>nd</sup> quarter of 2007. As such, there is an underlying growth in local currency.

The acquisitions in the 1<sup>st</sup> half of 2008 have been limited. This is driven by the Board's view that we will see increasing number of portfolios available at more attractive prices as we get further into the credit turmoil.

# Comments on the results of the 2<sup>nd</sup> quarter and 1<sup>st</sup> half of 2008

## General comments

*(Amounts in brackets throughout the document refer to the corresponding period of 2007 unless otherwise noted)*

Aktiv Kapital achieved operating revenues of NOK 392.7 million (NOK 400.6 million) in the 2<sup>nd</sup> quarter of 2008, which results in an operating revenue of NOK 786.3 million (NOK 815.8 million) in the 1<sup>st</sup> half of 2008. The shortfall in operating revenue for the first half of 2008 compared to the first half of 2007 is mainly due to currency effects, especially the weakening of GBP against Norwegian kroner, but also the other currencies where Aktiv Kapital has operations.

# 392.7

**MNOK operating revenue**

Conversion into new collection platform in the UK has had a short-term negative effect on collection in the 2<sup>nd</sup> quarter. In addition, organizational expansion costs and implementation of new IT-systems have increased the OPEX-ratio compared to the 2<sup>nd</sup> quarter of 2007. Specific projects have been started up with the purpose of optimizing the recovery from existing portfolios and increasing the operating margin. We expect to see results of these projects in the next twelve months.



# 350.3

**MNOK EBITDA**

million (NOK 334.3 million).

As a result, Aktiv Kapital achieved an EBITDA of NOK 350.3 million (NOK 374.0 million) and a profit before tax of NOK 119.9 million (NOK 160.1 million) in the 2<sup>nd</sup> quarter of 2008. This includes in total NOK 12.8 million in gains through divestment of non-core activities (AFS and Crystal-vessels). In the 1<sup>st</sup> half of 2008, Aktiv Kapital obtained an EBITDA of NOK 679.3 million (NOK 742.4 million), and a profit before tax of NOK 180.7

The Group activities are exposed to financial risks: market risk, credit and interest rate risk, currency risk, liquidity and cash flow risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse

effects on the Group's financial performance. No significant risks are considered to have occurred besides those described in the annual report.

## Portfolios

Portfolio segment						
<i>(all amounts in NOK thousand)</i>	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Cash collection	489 760	503 706	-3 %	979 632	1 000 631	-2 %
Amortisation	-195 953	-192 310	2 %	-373 290	-365 308	2 %
Operating revenue	293 807	311 396	-6 %	606 342	635 323	-5 %
Operating expenses	-157 583	-139 326	13 %	-312 412	-272 287	15 %
<b>Operating profit</b>	<b>136 224</b>	<b>172 070</b>	<b>-21 %</b>	<b>293 930</b>	<b>363 036</b>	<b>-19 %</b>

# 489.8

**MNOK collection**

Total cash collections on portfolios in the 2<sup>nd</sup> quarter of 2008 amounted to NOK 489.8 million (NOK 503.7 million), which is a decrease of 2.8% compared to the 2<sup>nd</sup> quarter of 2007. Cash collection on portfolios during the 1<sup>st</sup> half of 2008 amounted to NOK 979.6 million (NOK 1 000.6 million).

Operating revenue from the portfolio segment amounted to NOK 293.8 million (NOK 311.4 million), while operating profit amounted to NOK 136.2 million (NOK 172.1 million), a decrease of NOK 35.8 million compared to the 2<sup>nd</sup> quarter of 2007.

The decrease in revenue is mainly attributed to weakening of GBP compared to Norwegian kroner (NOK). The negative currency impact on the revenue is NOK 21.2 million. The corresponding positive effect on the operating expenses is NOK 12.8 million. Consequently, the negative effect on the operating profit for the 2<sup>nd</sup> quarter of 2008 compared to 2007 is NOK 8.4 million. Net negative currency effect in the 1<sup>st</sup> half of 2008 is NOK 20.7 million. In addition to the currency effect, operating expenses have increased by 22.3% compared to the 2<sup>nd</sup> quarter of 2007. The main reason is organizational growth in Spain and Canada. This has not yet resulted in the desired revenue-growth in Spain, but measures are being implemented to improve performance. The Mexican operation would be closed down during the 2<sup>nd</sup> quarter. The Canadian costs related to this are NOK 2.5 million.



Two large portfolios have a lower performance than expected during the 2<sup>nd</sup> quarter. Both portfolios were acquired at the end of 2007, and the main reason for the low performance is low debtor contact ratio. Plans to improve collections are being implemented and we anticipate an increase in cash collection on these portfolios in the 2<sup>nd</sup> half of 2008.

During the 2<sup>nd</sup> quarter of 2008 the portfolio performance and forecasts have been assessed, and as a result of this, no change in future portfolio collection estimates are deemed necessary.

# 329.4

**MNOK portfolio acquisitions**

Aktiv Kapital invested NOK 329.4 million (NOK 165.3 million) in new portfolios, net of put backs, in the 2<sup>nd</sup> quarter of 2008, resulting in total acquisitions of NOK 449.8 million (NOK 365.2 million) in the 1<sup>st</sup> half of 2008. Acquisitions by country are specified in the table below.

Portfolio acquisitions	2nd Quarter 2008			YTD 2008		
	Face value NOK	Face value local currency	# of claims	Face value NOK	Face value local currency	# of claims
<i>(Face value in million)</i>						
Austria	94	12	1 045	102	13	1 146
Canada	1 268	250	46 282	1 412	277	52 384
Germany	1 026	129	19 715	2 393	298	22 854
Spain	719	89	31 239	844	105	32 068
Sweden	87	103	6 607	90	106	7 328
UK	1 225	121	55 941	1 523	150	86 883
Other	16	-	2 873	206	-	6 120
<b>Total</b>	<b>4 435</b>	<b>N/ A</b>	<b>163 702</b>	<b>6 570</b>	<b>N/ A</b>	<b>208 783</b>

The book value of total portfolios at 30 June 2008 amounted to NOK 4 655.7 million.

## Debt collection

Debt collection segment						
<i>(all amounts in NOK thousand)</i>	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Operating revenue	69 981	63 764	10 %	127 581	129 134	-1 %
Operating expenses	-53 666	-46 859	15 %	-107 209	-101 446	6 %
<b>Operating profit</b>	<b>16 315</b>	<b>16 905</b>	<b>-3 %</b>	<b>20 372</b>	<b>27 688</b>	<b>-26 %</b>

Operating revenue amounted to NOK 70.0 million (NOK 63.8 million) in the 2<sup>nd</sup> quarter of 2008. The increase is related to Norway and Finland. The Norwegian operation implemented a new collection platform late 2007 / early 2008, which resulted in a backlog of cases which have been resolved in the 2<sup>nd</sup> quarter of 2008 and has increased revenue in the 2<sup>nd</sup> quarter by approximately NOK 2.5 million. The operating revenue in

Finland increased by NOK 2.3 million as a result of 4 new customers, one which is significant. The 1<sup>st</sup> half year revenue amounted to NOK 127.6 million (NOK 129.1 million).

# 16.3

**MNOK operating profit**

The operating profit amounted to NOK 16.3 million (NOK 16.9 million), a decrease of 3.5% compared to the 2<sup>nd</sup> quarter of 2007.

## Administrative and financial services

On 21 May 2008 the sale of the AFS-segment was completed. The operating profit for the 2<sup>nd</sup> quarter of 2008 of NOK 1.2 million include a gain on the sale of approximately NOK 1 million.

AFS segment						
<i>(all amounts in NOK thousand)</i>	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Operating revenue	15 631	25 564	-39 %	38 680	51 397	-25 %
Operating expenses	-14 393	-23 361	-38 %	-36 643	-45 323	-19 %
<b>Operating profit</b>	<b>1 238</b>	<b>2 203</b>	<b>-44 %</b>	<b>2 037</b>	<b>6 074</b>	<b>-66 %</b>

The sale of the AFS-segment included the sale of a diverse credit portfolio at net book value of NOK 218 million. The sale of the AFS segment has led to reduction in debt of approximately NOK 142 million.

## Other

In May, Aktiv Kapital reached a settlement with regards to the judicial situation versus Seadrill described in the annual report. The case was settled and Aktiv Kapital received USD 2.5 million, corresponding to NOK 12.7 million. The net gain is NOK 11.8 million.

# 11.8

**MNOK profit split**

The settlement was reached with Seadrill Limited, a related party.

## Net financial items

2<sup>nd</sup> quarter net financial items amounted to NOK -27.1 million (NOK -15.7 million), which included a net gain related to non-cash items of NOK 18.5 million (NOK 30.4 million). As a result, net financial items in the 1<sup>st</sup> half of 2008 amounted to NOK -110.5 million (NOK -29.4 million), of this, non-cash items was NOK -19.6 million (NOK 64.7 million). Non-cash items consist of unrealized gain on foreign exchange and interest hedge contracts. As such, the net

financial items with cash effect in 2<sup>nd</sup> quarter of 2008 were NOK -45.6 million (NOK -46.1 million), and for the 1<sup>st</sup> half of 2008 NOK 90.9 million (NOK 94.1 million).

## Financing

The Group's strategy is to manage and limit both currency and interest rate risk. The long term financing of portfolio investments is drawn in the same currencies as the underlying expected future cash flow from the portfolios.

# 2 852

**MNOK non-current  
interest-bearing loan**

As such, the non-current interest-bearing loan amounts to NOK 2 852.1 million as at 30 June 2008 and reflects a currency basket. The interest rate risk related to the loan is reduced through the use of a combination of interest rate swaps and caps in GBP, EUR, SEK and NOK. At 30 June 2008 approximately 57.2% of non-current interest-bearing debt of NOK 2 852.1 million was

hedged, reducing the related interest rate risk.

The upfront fees relating to the refinancing are amortised over the loan period of 5 years and expensed under net financial items with NOK 1.9 million in the 2<sup>nd</sup> quarter of 2008.

## Outlook

The turbulence in the global financial markets has continued in the second quarter and will most likely continue throughout 2008. This is believed to create opportunities for Aktiv Kapital in the quarters to come.

# Increase in portfolio offers

Portfolio acquisitions to date have been lower than expected and therefore we do not anticipate achieving our goal of high single digit EBITDA growth in 2008. We are experiencing an increase in the number and size of portfolios coming to market, and portfolio prices are coming down.

Aktiv Kapital is well positioned to take advantage of the future portfolio purchase opportunities, and the shareholders should expect increased number of portfolio acquisitions in the next 12 to 18 months.

# Increased risk premium

The Board of Directors believes that successful portfolio sellers recognize that the quality of information and an efficient and predictable sales process are the best ways to reduce risk and maximize sales proceeds. Given the market conditions, some sellers may want to divest portfolios quickly going forward. Hence the risk involved when purchasing portfolios may increase in the coming quarters.

Aktiv Kapital will respond to this challenge with the Group's increasingly rigorous analysis using our vast amount of relevant debtor information in our data warehouse and with increased risk premiums when pricing portfolios.

Aktiv Kapital is developing a highly sophisticated data warehouse consisting of 6.6 million claims with face value of approximately NOK 155 000 million. These claims and the history from these collections will give our company a unique opportunity to evaluate and price future purchases. Through a professional and well developed collection service combined with advanced scorecards, we should be able to generate more from these portfolios than our competitors.



The results are likely to show continued good cash generation from the company's debt portfolios. The main challenges will be to improve the collection and the operating margin, and make sure that the company capitalizes on the improved market conditions for purchase of portfolios.

With approximately NOK 1 000 million in gross cash generation expected in the 2<sup>nd</sup> half of 2008, and with close to NOK 1 200 million in unused credit facility, the company is well positioned to make use of these opportunities.

## Accounting principles

These interim financial statements have been prepared in accordance with IAS 34 and with the same accounting principles as in the annual financial statements. These interim financial statements have not been audited.

# Responsibility statement

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as at 30 June 2008 and for the six month period 1 January to 30 June 2008 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the Group's assets, liabilities, financial position and the result for the period viewed in their entirety. The interim management report is prepared in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph and includes a fair review of any significant events that occurred during the period and their effect on the half-yearly financial report, any significant related parties' transactions, and a description of the significant risks and uncertainties faced by the Group.

Oslo, 6 August 2008

The Board of Directors and Chief Executive Officer  
Aktiv Kapital ASA

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Tor Olav Trøim  
(Chairman of the Board)

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Elin Karfjell  
(Board member)

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Svein Aaser  
(Board member)

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Cecilie Astrup Fredriksen  
(Board member)

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Per Erik Åsmyr  
(Board member)

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Erik Bødtker Øyno  
(Chief Executive Officer)

# Interim financial statements

## CONSOLIDATED INCOME STATEMENT

<i>(All amounts in NOK thousand)</i>	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Year 2007
<b>Total operating revenue</b>	<b>392 746</b>	<b>400 600</b>	<b>786 263</b>	<b>815 828</b>	<b>1 575 361</b>
Change in portfolio collection estimates	0	0	0	-1 475	-2 171
Payroll expenses	108 332	99 435	231 681	203 862	436 864
Depreciation of tangible fixed assets	5 777	4 353	11 587	8 715	24 135
Amortisation of intangible fixed assets	1 609	1 608	3 218	3 216	6 361
Other operating expenses	130 020	119 448	248 550	234 862	471 262
<b>Operating profit</b>	<b>147 008</b>	<b>175 756</b>	<b>291 227</b>	<b>363 698</b>	<b>634 568</b>
Net financial items	-27 104	-15 678	-110 489	-29 396	-159 011
<b>Profit before tax</b>	<b>119 904</b>	<b>160 078</b>	<b>180 738</b>	<b>334 302</b>	<b>475 557</b>
Income tax expense	26 730	34 971	40 214	70 230	98 262
<b>Profit for the period</b>	<b>93 174</b>	<b>125 107</b>	<b>140 524</b>	<b>264 072</b>	<b>377 295</b>
Earnings per share	1,98	2,66	2,99	5,61	8,01
Pre-tax cash flow per share	6,87	7,61	12,09	15,14	27,71

## OPERATING REVENUE PER BUSINESS SEGMENT

<i>(All amounts in NOK thousand)</i>	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Interest income on portfolios	293 807	311 396	-6 %	606 342	635 323	-5 %
Debt collection	69 981	63 764	10 %	127 581	129 134	-1 %
AFS	15 631	25 564	-39 %	38 680	51 397	-25 %
Other operating revenues	13 327	-124	N/ A	13 660	-26	N/ A
<b>Total operating revenues</b>	<b>392 746</b>	<b>400 600</b>	<b>-2 %</b>	<b>786 263</b>	<b>815 828</b>	<b>-4 %</b>
Change in portfolio collection estimates	0	0	N/ A	0	-1 475	N/ A
<b>Net operating revenues</b>	<b>392 746</b>	<b>400 600</b>	<b>-2 %</b>	<b>786 263</b>	<b>814 353</b>	<b>-3 %</b>

## OPERATING PROFIT PER BUSINESS SEGMENT

<i>(All amounts in NOK thousand)</i>	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Portfolios	136 224	172 070	-21 %	293 930	363 036	-19 %
Debt collection	16 315	16 905	-3 %	20 372	27 688	-26 %
AFS	1 238	2 203	-44 %	2 037	6 074	-66 %
Other	11 801	0	N/ A	11 801	0	N/ A
<b>Profit before group costs and amortisation of intangible assets</b>	<b>165 578</b>	<b>191 178</b>	<b>-13 %</b>	<b>328 140</b>	<b>396 798</b>	<b>-17 %</b>
Group overhead costs	-16 961	-13 814	23 %	-33 695	-29 884	13 %
Amortisation of intangible assets	-1 609	-1 608	0 %	-3 218	-3 216	0 %
<b>Operating profit</b>	<b>147 008</b>	<b>175 756</b>	<b>-16 %</b>	<b>291 227</b>	<b>363 698</b>	<b>-20 %</b>
Net financial items	-27 104	-15 678	73 %	-110 489	-29 396	276 %
<b>Profit before tax</b>	<b>119 904</b>	<b>160 078</b>	<b>-25 %</b>	<b>180 738</b>	<b>334 302</b>	<b>-46 %</b>

## CONSOLIDATED BALANCE SHEET

<i>(All amounts in NOK thousand)</i>	30 June 2008	30 June 2007	31 Dec 2007
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	95 031	45 861	83 784
Intangible assets	69 444	92 825	77 711
Loans and receivables	4 655 687	4 479 759	4 674 064
Other financial assets	4 793	28 117	22 744
<b>Total non-current assets</b>	<b>4 824 955</b>	<b>4 646 562</b>	<b>4 858 303</b>
<b>Current assets</b>			
Other current assets	157 720	334 434	290 674
Cash and short-term deposits	310 352	428 145	318 061
<b>Total current assets</b>	<b>468 072</b>	<b>762 579</b>	<b>608 735</b>
<b>Total assets</b>	<b>5 293 027</b>	<b>5 409 141</b>	<b>5 467 038</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	4 719	4 719	4 719
Treasury shares	-15	-10	-10
Additional paid in capital	1 544 491	1 542 715	1 543 851
Retained earnings	296 371	225 680	313 794
<b>Total equity</b>	<b>1 845 567</b>	<b>1 773 104</b>	<b>1 862 354</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	2 852 136	2 939 094	2 638 047
Provisions	292 731	319 739	291 196
<b>Total non-current liabilities</b>	<b>3 144 867</b>	<b>3 258 833</b>	<b>2 929 243</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	43 011	52 519	76 537
Other current liabilities	259 582	324 685	598 904
<b>Total current liabilities</b>	<b>302 593</b>	<b>377 204</b>	<b>675 441</b>
<b>Total liabilities</b>	<b>3 447 460</b>	<b>3 636 037</b>	<b>3 604 684</b>
<b>Total equity and liabilities</b>	<b>5 293 027</b>	<b>5 409 141</b>	<b>5 467 038</b>

## CONSOLIDATED SHAREHOLDERS EQUITY

<i>(All amounts in NOK thousand)</i>	YTD 2008	YTD 2007	Year 2007
<b>Equity at 1 January</b>	<b>1 862 354</b>	<b>1 617 904</b>	<b>1 617 904</b>
Issue of options	640	-	2 536
Profit in the period	140 524	264 072	377 295
Purchase/ sale of treasury shares	-3 668	-	-
Paid dividend	-129 381	-	-
Translation adjustment	-24 903	-108 872	-135 380
<b>Equity at the end of the period</b>	<b>1 845 567</b>	<b>1 773 104</b>	<b>1 862 354</b>

## CONSOLIDATED CASH FLOW STATEMENT

<i>(All amounts in NOK thousand)</i>	YTD 2008	YTD 2007	Year 2007
<b>Cash flows from operating activities</b>			
Profit for the period	140 524	264 072	377 295
Tax expense	40 214	70 230	98 262
Income tax paid	-89 804	0	-62 095
Interest expense	83 726	0	182 618
Interest paid	-87 771	0	-169 650
Depreciation of tangible assets	11 587	8 715	24 135
Amortisation	3 218	3 216	6 361
Share based payment expense	640	1 401	2 537
Changes in accounts receivables	-26 000	38 033	57 230
Changes in acquired and financed receivables	-6 324	26 096	50 659
Changes in accounts payable	-210 750	-2 766	229 870
Changes in other accruals	-62 153	-122 743	-87 142
Cash received on portfolios	979 632	1 000 631	2 018 806
Interest earned on portfolios	-606 342	-633 848	-1 219 721
<b>Net cash generated from operating activities</b>	<b>170 397</b>	<b>653 037</b>	<b>1 509 165</b>
<b>Cash flows from investing activities</b>			
Sale of AFS segment <sup>1)</sup>	175 207	0	0
Sales/ Purchases of tangible assets	-22 834	-15 917	-69 259
Purchase of loans and receivables	-449 847	-365 229	-1 151 147
Purchase of treasury shares	-3 668	0	0
<b>Net cash used in investing activities</b>	<b>-301 142</b>	<b>-381 146</b>	<b>-1 220 406</b>
<b>Cash flows from financing activities</b>			
Dividends paid to company's shareholders	-129 381	0	0
Net proceeds/ repayments of borrowings	256 783	-146 605	-365 855
Net proceeds/ repayments of client liabilities related to AK Spar	14 127	-2 715	-4 709
<b>Net cash generated from financing activities</b>	<b>141 529</b>	<b>-149 320</b>	<b>-370 565</b>
<b>Changes in cash and bank overdrafts</b>			
Net increase in cash and bank overdrafts	10 785	122 571	-81 806
Net foreign exchange differences	15 032	-68 667	1 608
Cash and bank overdrafts at beginning of the period	241 524	321 722	321 722
<b>Cash and bank overdrafts at the end of the period</b>	<b>267 341</b>	<b>375 626</b>	<b>241 524</b>

1) Includes the bank overdraft amounting to NOK 33.7 million that was transferred to the buyer of the AFS-segment

# Definitions

**EBITDA:** *Operating profit + depreciation of tangible fixed assets + amortisation of intangible fixed assets - interest income on portfolios (including the change in portfolio collection estimates) + cash received on portfolios*

**Pre-tax cash flow per share:** *(Profit before tax + 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*

**Earnings per share:** *Profit for the period divided by number of shares less treasury shares*

**OPEX ratio:** *Operating expenses as a percentage of the revenue. The OPEX ratio for the portfolio segment is based on collected cash instead of the revenue (yield)*

**Debt / equity ratio:** *Total debt divided by the equity*