

# AKTIV KAPITAL ASA – Quarterly Report for Q1 2005

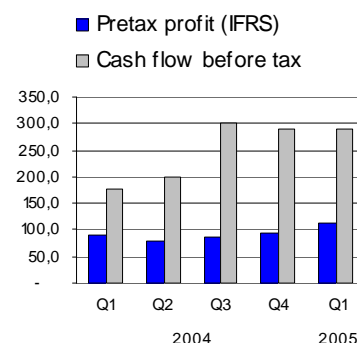
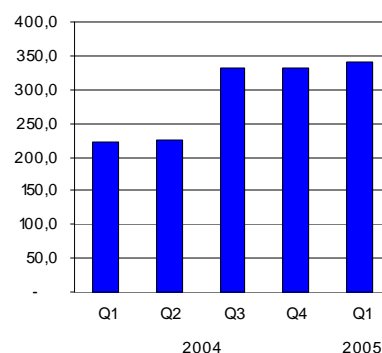
## Main points Q1 2005 (Q1 2004)

- Purchase of portfolio in Austria
- Purchase of Cargill's 50% share in Finnish operation
- Purchase of the debt collection company Treym in Spain
- Purchase of portfolio in Spain
- Purchase of two portfolios in UK
- Operating revenue NOK 340.6m (+53%)
- Profit before tax NOK 112.0m (+22%)
- EBITDA NOK 321.6m (+ 81%)
- Interest income on portfolios NOK 247.7 (96%)
- Payments from portfolios NOK 408.1m (+115%)
- Debt collection revenues NOK 54.7m (+1%)
- AFS revenues NOK 21.8m (- 4%)
- Earnings per share NOK 1.80 (NOK 2.10)
- Cash flow per share NOK 5.56 (4.54)

The figures for Q1 2005 and 2004 are prepared in accordance with IFRS.

This report includes a separate attachment, "Transition to IFRS", showing the IFRS effect on the opening balance as per 1.1.05 as well as on the balance and the result in 2004. The attachment also contains the company's main accounting principles according to IFRS.

OPERATING REVENUES (IFRS)



## RESULTATREGNSKAP (NOK 1000)

	IFRS Q1 2005	IFRS Q1 2004	IFRS 2004
Operating revenue	340 626	223 076	1 113 339
Payroll	77 257	49 795	245 916
Other operating costs	102 210	50 839	319 638
Depreciation of fixed assets	14 750	19 314	74 435
<b>Operating profit before depreciation of immaterial assets</b>	<b>146 409</b>	<b>103 128</b>	<b>473 350</b>
Depreciation of intangible fixed assets	1 894	1 608	13 137
<b>Operating profit</b>	<b>144 515</b>	<b>101 520</b>	<b>460 213</b>
Net financial items	-32 494	-9 390	-108 809
<b>Profit before tax</b>	<b>112 021</b>	<b>92 130</b>	<b>351 404</b>
Tax on ordinary result	26 709	19 403	68 682
<b>Profit after tax</b>	<b>85 312</b>	<b>72 727</b>	<b>282 722</b>

## Results

Aktiv Kapital ASA had a growth in revenues of 53% in the first quarter of 2005, compared with the same period in 2004. The growth was also reflected by an increase in operating profits of 42%, and an increase of 22% in pre-tax profit. EBITDA increased by 81% to NOK 321.6m.

Operationally, the first quarter was lower than internally expected in all of Aktiv Kapital's business areas. The two first months set the tone and even with a satisfactory development in March, the quarter as a whole became weaker than expected.

## OPERATING REVENUE PER OPERATING AREA

(NOK 1000)	Operating revenue		Changes
	Q1 2005	Q1 2004	
Interest income on portfolios	247 715	126 464	96 %
Debt collection	54 736	54 061	1 %
AFS	21 835	22 649	-4 %
Other operating revenues	16 340	19 902	-18 %
<b>Total operating revenues</b>	<b>340 626</b>	<b>223 076</b>	<b>53 %</b>

## OPERATING PROFIT PER OPERATING AREA

(NOK 1000)	Operating profit		Changes
	Q1 2005	Q1 2004	
Portfolios	143 848	88 089	63 %
Debt collection	6 951	15 654	-56 %
AFS	3 616	5 441	-34 %
<b>Profit before appropriated group costs and depreciation of immaterial assets</b>	<b>154 415</b>	<b>109 184</b>	<b>41 %</b>
Group overhead costs	-8 006	-6 056	32 %
Depreciation of goodwill	-1 894	-1 608	18 %
<b>Operating profit</b>	<b>144 515</b>	<b>101 520</b>	<b>42 %</b>
Net financial items	-32 494	-9 390	246 %
<b>Profit before tax</b>	<b>112 021</b>	<b>92 130</b>	<b>22 %</b>

### Portfolio business

Compared with Q1 2004 the portfolio business shows a solid growth with an increase in portfolio income of 96% and an increase in operating result of 63%. Collection was at the same level as in Q4 2004, while an increase was expected due to the purchase of new portfolios.

Several portfolio purchases were made in the quarter. In Austria a forward flow agreement was starting in January. The expected outstanding claims amount to approx. NOK 825 million.

Cargill's 50% share in Finnish C&A Finland Oy was purchased with accounting effect from 01.01.05. With this purchase Aktiv Kapital takes full control over claims totaling around NOK 38,000 million, as well as 100% control of the debt collection company Aktiv Hansa Oy.

The purchase of a portfolio in Spain in February with claims totaling about NOK 495m, as well as the purchase of Treym, gave Aktiv Kapital both a debt collection company and a good operational platform for collection of own portfolios in Spain.

At the end of the quarter, two agreements were signed for acquisitions in the British market with claims totaling around NOK 1,670 billion.

With exception of the Finnish C&A portfolio, the new portfolios, due to the time of take-over, had a limited effect on the quarterly result.

### Debt collection

Income from debt collection ended in Q1 2005 at the same level as in Q1 2004, while the operating result showed a decline. The operating revenue showed a decline due to a certain pressure on fees and loss of a major earlier contractually bound customer in the Norwegian market. The costs were influenced by, among other things, increased legal fees in the some markets. Management is working actively in order to increase the number of customers as well as reducing costs. In the last half of the quarter, the trend confirms a positive development.

### Administrative and financial services (AFS)

The AFS business did not meet expectations in Q1 2005. Both operating revenues and operating result were down compared to Q1 2004.

Even though AFS does not necessarily follow the same revenue pattern as debt collection and portfolio, January and February, did also in this segment have a negative impact on the quarterly figures, while March showed a positive development.

<b>BALANCE SHEET (NOK 1000)</b>	<b>IFRS 31.03.2005</b>	<b>IFRS 31.03.2004</b>	<b>IFRS 31.12.2004</b>
Intangible fixed assets	33 464	53 698	27 042
Fixed assets	147 231	205 260	157 686
Portfolios	4 374 762	1 702 878	3 973 485
Other financial assets	33 758	11 286	47 248
Receivables	298 167	278 985	317 007
Bank, deposits and cash	501 432	163 875	382 646
<b>Total assets</b>	<b>5 388 814</b>	<b>2 415 982</b>	<b>4 905 114</b>
Paid-in capital	1 556 013	405 103	1 544 855
Equity earnings	560 494	483 772	482 104
Allocation for liabilities	487 580	71 242	403 938
Provisions	1 196 639	807 912	1 559 016
Long-term liabilities	27 474	136 750	52 327
Current liabilities to credit institutions	1 560 614	511 203	862 874
<b>Total liabilities and equity</b>	<b>5 388 814</b>	<b>2 415 982</b>	<b>4 905 114</b>

<b>EQUITY MOVEMENTS</b>	<b>1.1-31.03. 2005</b>	<b>1.1-31.12. 2004</b>
Equity as at 1.1	2 026 959	723 173
Capital increase	650	1 151 551
Share issue costs after tax	-	-10 154
Quarterly result	85 312	282 722
Allocated dividend	-	-103 928
Conversion differences	3 586	-16 405
<b>Equity</b>	<b>2 116 507</b>	<b>2 026 959</b>

### Shareholders and equity

The Board proposes to pay a dividend of NOK 3.50 per share for 2004. Pending approval by the AGM, the dividend will be paid on 10 May 2005.

**CASH FLOW ANALYSIS**  
(NOK 1000)

1.1.-31.03.05 1.1.-31.03.04 1.1.-31.12.04

Profit before tax	85 312	72 727	282 722
Reversal of interest income on portfolios	-247 715	-134 457	-728 155
Paid-in portfolios	408 110	190 222	1 255 106
Ordinary depreciation	16 644	20 922	87 572
Changes in purchased or loaned invoices	4 093	-26 227	-7 538
Change in other accruals	124 119	-95 076	-149 183
<b>Net cash flow from operating activities</b>	<b>390 563</b>	<b>28 112</b>	<b>740 524</b>
Purchase of tangible fixed assets	-1 899	-1 790	-8 754
Acquisition of portfolios	-497 853	-404 533	-682 776
Investment in other businesses	-8 316	-12 949	-744 911
Changes in other investments	19 354	3 710	-11 028
<b>Cash flow from investment activities</b>	<b>-488 714</b>	<b>-415 562</b>	<b>-1 447 469</b>
Paid dividends			-103 928
Net increase in long-term liabilities	237 554	345 988	384 886
Net change in bank overdraft	-24 853	17 591	-66 833
Change in shareholders' equity	650	650	691 043
<b>Cash flow from financing activities</b>	<b>213 351</b>	<b>364 229</b>	<b>905 168</b>
Calculation differences	3 586	-10 120	-6 639
<b>Changes in liquid resources</b>	<b>118 786</b>	<b>-33 341</b>	<b>191 584</b>
Cash resources 1.1	382 646	191 062	191 062
<b>Cash resources</b>	<b>501 432</b>	<b>157 721</b>	<b>382 646</b>

**Financial situation**

In the first quarter of 2005 the Group generated an average monthly EBITDA of approx. NOK 107 million.. In the beginning of April, the group had signed an interest rate hedging agreement in NOK for a smaller amount for a period of 5 years. The interest exposure will be reviewed on an ongoing basis.

**Pro forma figures**

The figures below show supplementary results for the group on the assumption that Olympia Capital was taken over on 1 January 2004. The pro forma figures for 2004 are compared with Q1 2005, which are prepared according to NGAAP.

<b>PROFIT AND LOSS ACCOUNT</b>	<b>Pro forma Q1 2005</b>	<b>Pro forma Q1 2004</b>	<b>Pro forma Tot. Year 2004</b>
(NOK 1000)			
Operating revenue	501 021	473 505	2 006 101
Payroll	77 257	85 937	301 661
Other operating costs	102 210	89 531	381 826
Depreciation on portfolios	212 874	189 903	829 484
Depreciation of fixed assets	14 750	20 071	72 631
<b>Operating profit before depreciation of immaterial assets</b>	<b>93 930</b>	<b>88 063</b>	<b>420 499</b>
Depreciation of intangible fixed assets	1 894	3 046	14 209
<b>Operating profit</b>	<b>92 036</b>	<b>85 017</b>	<b>406 290</b>
Net financial items	-27 398	-25 925	-129 005
<b>Profit before tax</b>	<b>64 638</b>	<b>59 092</b>	<b>277 285</b>
Tax on ordinary result	14 639	11 994	56 933
<b>Profit after tax</b>	<b>49 999</b>	<b>47 098</b>	<b>220 352</b>
<b>Earnings per share (diluted)</b>	<b>1,06</b>	<b>1,00</b>	<b>4,67</b>
<b>Cash flow per share</b>	<b>5,92</b>	<b>5,51</b>	<b>24,09</b>

The pro forma figures are prepared according to the same principles stated in the prospectus of 14 September 2004 with the exception of the VAT rate, which is reduced from 28% to the individual country's tax rate.

### **Future prospects**

The liquidity situation, together with a strong cash flow, debt financing potential in existing portfolios and solid equity, gives the company a good basis for further growth.

The Board anticipates stable, positive growth in the short term, but growth in the longer term can be notably affected by the portfolio acquisitions currently under evaluation. The acquisition of Olympia has demanded considerable personnel resources, which in turn has restricted efforts concerning new acquisitions. This work is now complete, and our attention can once again be turned to new acquisitions and optimising existing business. The Board will assess new acquisitions in light of the various countries' respective economic prospects. It is reason to believe that accessibility to good portfolio acquisitions will improve as a result of the general decline in economic growth. This is confirmed, among other things, by the current development in the German market. Growth in profits in 2005 will generally depend on what new investments the company makes. The underlying trend in our core business is good and will secure a good result in 2005.

Oslo, 21 April 2005

The Board of Directors of Aktiv Kapital ASA