

## SECOND QUARTER AND HALF YEAR REPORT - 2010

Imarex 

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## Quarterly highlights

- Imarex has successfully implemented its restructuring plan and closed down loss making businesses. The Group experienced positive operational and financial effects from the more focused organisational profile. Further operational and financial improvements are expected through 2010.
- Group revenues of NOK 161.3 million and an underlying EBITDA of NOK 28.3 million for the second quarter 2010, one of the best underlying results in the Group's history.
- Non-recurring restructuring charges affected results in the second quarter negatively by NOK 20.1 million. In addition the result is affected by impairment charges of NOK 6.4 million and unrealised foreign exchange losses of NOK 14 million, both with no cash effect.
- The OTC segment continued its solid performance posting an underlying EBITDA of NOK 27.2 million. The Clearing segment returned to profitability and Market Analysis continued to deliver positive results.
- Imarex remains financially robust and maintains its ambition to actively participate in consolidation processes to create value for shareholders.

## Group key figures (underlying figures excluding non-recurring items\*)

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Operating revenue	161 282	156 935	158 299	319 581	331 957	632 395
EBITDA	28 328	16 030	18 430	46 758	33 544	68 803
EBITDA margin	17,6 %	9,7 %	12,7 %	14,6 %	10,1 %	10,2 %
Operating result	20 533	7 006	10 212	30 745	15 315	32 891
Result before tax	7 337	23 777	4 500	11 837	47 914	97 824
Result for the period	3 999	15 602	2 374	6 372	34 107	65 163
Basic earnings per share (NOK)	0,26	1,03	0,16	0,42	2,25	4,33
Diluted earnings per share (NOK)	0,26	1,03	0,16	0,42	2,25	4,33
Total assets	2 098 215	2 496 300	2 180 187	2 098 215	2 496 300	2 673 484
Total equity	1 134 431	1 194 357	1 096 182	1 134 431	1 194 357	1 125 409

\* Underlying figures exclude non-recurring items. Please see note 4 for further information regarding non-recurring items.

## Performance summary

### Positive effects from refocusing of the Imarex Group

During the spring of 2010 Imarex decided to refocus its operations on two core business areas, both of which have shown significant potential for creating value for the shareholders – the OTC and Clearing segments. Within these areas, Imarex has leading market positions and a strong foundation from which to further develop its activities. Market Analysis is the third segment and will be developed further through the two leading market analysis companies Nena and Kontali. Imarex's freight business has been rationalised and sharpened and is being integrated into the OTC segment.

Through Q2 2010 the focus has been on the implementation of measures that will secure the full operational effect of the changes from Q3 2010. Imarex has already seen clear signs that the streamlined organisation will yield improved operational efficiency and thus better financial results. Imarex expects these first positive effects to materialise further in the second half of 2010.

On the corporate headquarter level the headcount will soon be reduced to four, compared to 12 at the beginning of the year. This, together with other cost reduction measures is expected to take down the corporate cost level from around NOK 30 million in 2009 to an annual run-rate of around NOK 15 million towards the end of 2010.

Cash flow from operations was strong in the quarter, mainly driven by the OTC segment, and in line with the previously communicated goal of re-evaluating the Group's financial position, Imarex has used the opportunity in the second quarter to prepay a debt instalment of NOK 50 million due in 2011.

## **Q2 2010 results**

On a Group level revenues amounted to NOK 161.3 million, which is slightly higher than in the first quarter 2010. The underlying EBITDA was NOK 28.3 million, excluding restructuring costs related to the change of organisational structure into three segments and a streamlining of the corporate functions. The EBITDA improvement reflects that all operating segments now deliver positive results.

The OTC segment remains by far the largest part of the Imarex Group. The activity level was at an all time high at the beginning of the second quarter 2010, while the end of the quarter was affected by a seasonal reduction of volumes towards the summer. OTC accounted for NOK 134.8 million, close to 84 percent of Imarex's total revenues in the second quarter, with an underlying EBITDA contribution of NOK 27.2 million.

The core businesses within gas and power were once again the main contributors to the positive results. The freight businesses previously in the Exchange segment were transferred to the OTC segment with effect from Q2 2010. The restructuring of this business has progressed well and the company has retained necessary competence and developed new business. From Q2 2010 parts of the previous Market Services activities have been included in the OTC segment, which has contributed to higher revenues and improved results.

The Clearing segment had a positive development through the second quarter 2010 and posts positive results despite underlying weak development in the freight markets. Clearing of seafood contracts on Fish Pool showed particularly strong development in the second quarter.

In the first quarter of 2010 the new clearing products Swedish EI-certificate and UK NBP Gas were launched. The first product has been received well and shows a positive development, while the second is still suffering from lack of critical mass in terms of volume.

Clearing revenues amounted to NOK 18.6 million in the second quarter, which is NOK 5.2 million higher than the previous quarter. The EBITDA was a positive NOK 2.8 million, compared to a negative contribution of NOK 2.8 million in the first quarter 2010.

The Market Analysis segment, which now consists of Nena and Kontali, had operating revenues of NOK 8.0 million and underlying EBITDA of NOK 1.3 million in the second quarter 2010, 30% ahead of first quarter 2010.

## **Outlook**

Imarex offers marketplaces, trading services, market analysis and clearing within energy, freight, seafood and other closely related business areas. The strategy remains to focus the service of both front-end and clearing around the two segments OTC and Clearing in order to capitalise on the company's strong customer base.

The OTC segment's solid and profitable development is expected to continue and the integration of the Exchange and OTC activities is gradually expected to improve the underlying results. However, the summer months from June through August are normally seasonally quiet and this has historically led to weaker results in the third quarter. Looking ahead Imarex expects the positive development for the OTC segment to continue through the autumn of 2010 and onwards. The OTC segment has extended its market coverage to include European fuel oil. Spectron has recruited a team of experienced fuel oil brokers that will be starting operations from the London offices in the beginning of September. This will further strengthen the offering within the OTC segment and is expected to contribute positively to the Group's results from 2011.

The Clearing segment still provides the highest potential for improved profitability and the positive development seen towards the end of the second quarter is expected to continue, even though volumes and activity are still expected to be volatile. The growth within seafood has continued in Q3 and the strong outlook for the fish farming sector provides reason for continued optimism.

Within Market Analysis the company expects the steady, profitable development to continue.

Imarex remains attractively positioned in market segments with significant organic growth potential and the new organisational structure should make it easier to realise the inherent potential. The company will continue to actively pursue opportunities and processes in order to create value for its shareholders and at the same time seek to deliver better results from its existing activities.

## Condensed consolidated income statement (unaudited)

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
<b>Operating revenue</b>	<b>161 282</b>	<b>156 935</b>	<b>158 299</b>	<b>319 581</b>	<b>331 957</b>	<b>632 395</b>
Payroll excluding bonus	60 450	56 810	65 045	125 495	121 613	238 406
Bonus	53 948	50 525	53 362	107 311	106 149	196 963
IT and communication costs	17 598	15 259	11 709	29 307	26 320	52 806
Consultancy fees	6 296	2 103	3 669	9 965	5 954	11 658
Office costs	4 705	4 910	5 333	10 038	9 900	19 489
Travel/entertainment	5 754	5 939	4 762	10 516	10 528	22 545
Other operating expenses	4 301	5 359	5 752	10 053	17 949	25 725
<b>Operating costs before depreciation and amortisation</b>	<b>153 052</b>	<b>140 905</b>	<b>149 632</b>	<b>302 684</b>	<b>298 413</b>	<b>567 592</b>
<b>EBITDA</b>	<b>8 230</b>	<b>16 030</b>	<b>8 667</b>	<b>16 897</b>	<b>33 544</b>	<b>64 803</b>
Depreciation and amortisation	7 794	9 024	8 218	16 012	18 229	35 912
Impairment	6 430	0	576	7 006	0	0
<b>Operating result</b>	<b>-5 994</b>	<b>7 006</b>	<b>-127</b>	<b>-6 122</b>	<b>15 315</b>	<b>28 891</b>
Net financial items	-13 197	16 771	-5 712	-18 909	32 599	64 933
<b>Result before tax</b>	<b>-19 191</b>	<b>23 777</b>	<b>-5 839</b>	<b>-25 030</b>	<b>47 914</b>	<b>93 824</b>
Tax on ordinary result	-2 289	8 174	-608	-2 897	13 807	31 541
<b>Result for the period</b>	<b>-16 902</b>	<b>15 603</b>	<b>-5 232</b>	<b>-22 134</b>	<b>34 107</b>	<b>62 283</b>
<b>Attributable to</b>						
Non-controlling interests	-242	-13	67	-175	85	-133
<b>Shareholders' interests</b>	<b>-16 660</b>	<b>15 615</b>	<b>-5 299</b>	<b>-21 959</b>	<b>34 022</b>	<b>62 416</b>
Basic earnings per share (NOK)	-1,12	1,03	-0,35	-1,47	2,25	4,14
Diluted earnings per share (NOK)	-1,12	1,03	-0,35	-1,47	2,25	4,14

Operating revenue for the second quarter 2010 was NOK 161.3 million compared to NOK 156.9 million in the second quarter 2009. Despite the drop in USD, GBP and EURO of 4%-11% the operating revenue for the Group increased by 3%. Revenue increased NOK 3.0 million from the first quarter 2010 as revenues from the Clearing segment increased.

Operating costs before depreciation and amortisations for the second quarter of 2010 have been negatively affected by NOK 20.1 million of non-recurring charges. The non-recurring charges relate to the recent restructuring of the OTC and former Exchange segment and streamlining the Corporate functions. Please see note 4 for further details regarding non-recurring charges.

Payroll expenses excluding bonus were NOK 60.5 million for the second quarter 2010, an increase of NOK 3.6 million from the second quarter 2009, but down by NOK 4.6 million from the first quarter 2010. Adjusted for non-recurring charges of NOK 9.9 million as described above, payroll costs are down both compared to second quarter 2009 and first quarter 2010. Bonus allocation was NOK 53.9 million for the second quarter 2010, up from NOK 50.5 million in the same period in 2009. Bonus allocations are in line with the bonus allocation for first quarter 2010. All other cost categories are negatively affected by non-recurring charges in the current quarter, but adjusted for these items all categories are in line with or below the previous quarter and the comparable quarter of 2009.

Overall operating costs amounted to NOK 153.1 million for the second quarter 2010, excluding depreciation and amortisation, up from NOK 140.9 million in the same period in 2009. Adjusted for non-recurring charges of NOK 20.1 million, overall operating costs in second quarter 2010 are down both compared to second quarter 2009 and first quarter 2010.

EBITDA was NOK 8.2 million for the second quarter 2010, down NOK 7.8 million from the same period last year and down NOK 0.4 million from the previous quarter. Adjusted for non-recurring charges of NOK 20.1 million, the underlying EBITDA of NOK 28.3 million is significantly better than second quarter 2009 and previous quarter, as underlying results for both OTC and Clearing have improved.

Depreciation and amortisation was NOK 7.8 million for the second quarter 2010, including amortisation of identified intangible assets of NOK 1.5 million in NOS Clearing and NOK 3.2 million in Spectron Group. This was down NOK 1.2 million from the second quarter 2009 and down NOK 0.4 million from the first quarter 2010. As described above an impairment of NOK 6.4 million was recognised in the second quarter 2010 related to the re-organisation of the Exchange business.

Net financial items consist of interest earned on the Group's cash holding, net foreign exchange gains and losses related to non-operational monetary items, gains and losses on financial instruments related to hedging, gains/losses on other investments and interest on bank debt. Net financial items were negative with NOK 13.2 million for the second quarter 2010, compared to a gain of NOK 16.8 million in the same period in 2009 and a loss of NOK 5.7 million for the previous quarter. The foreign exchange translation effects on the USD loan and financial instruments were negative at NOK 14.0 million, as the USD/NOK currency rate strengthened from 5.98 at the end of the first quarter 2010 to 6.50 at the end of the second quarter 2010. Interest income on own funds was NOK 2.5 million and interest expenses on loans and other financial items were NOK 2.3 million.

The net loss for the second quarter 2010 was NOK 16.9 million, compared to a result of NOK 15.6 million for the same period in 2009 and a loss of NOK 5.2 million for the first quarter of 2010.

### Condensed consolidated comprehensive income statement (unaudited)

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
<b>Result for the period</b>	-16 902	15 602	-5 232	-22 134	34 107	62 283
Foreign exchange translation effects	55 151	75 600	-23 772	31 379	34 302	-62 710
<b>Total condensed comprehensive income</b>	<b>38 249</b>	<b>91 203</b>	<b>-29 004</b>	<b>9 245</b>	<b>68 409</b>	<b>-427</b>

Total condensed comprehensive income for the second quarter 2010 was NOK 38.2 compared to a profit of NOK 91.2 million in the second quarter 2009. The translation effects for the second quarter 2010 consist of positive foreign exchange translation effects of NOK 11.3 million related to foreign subsidiaries, and positive translation effects of the goodwill related to Spectron Group of NOK 43.9 million, i.e. at the end of each reporting period the goodwill, which is valued in the currency of the acquired company's location, is translated to NOK at the prevailing exchange rate.

## Condensed consolidated balance sheet (unaudited)

Figures in NOK 1 000	30.06.10	30.06.09	31.03.10	31.12.09
<b>Assets</b>				
Intangible fixed assets	858 084	912 339	808 680	831 681
Tangible fixed assets	17 217	21 000	18 908	18 979
Financial fixed assets	10 460	61 553	10 521	10 356
<b>Total non-current assets</b>	<b>885 761</b>	<b>994 892</b>	<b>838 110</b>	<b>861 015</b>
Receivables, prepayments and accruals	102 260	137 333	106 688	102 556
Open position assets	571 010	796 912	683 014	1 112 631
Liquid funds	539 185	567 163	552 374	597 282
<b>Total current assets</b>	<b>1 212 454</b>	<b>1 501 408</b>	<b>1 342 076</b>	<b>1 812 469</b>
<b>Total assets</b>	<b>2 098 215</b>	<b>2 496 300</b>	<b>2 180 186</b>	<b>2 673 485</b>
<b>Equity and liabilities</b>				
Total paid-in capital	980 561	985 405	980 561	980 784
Other equity	153 768	208 591	115 257	144 314
<b>Total shareholders equity</b>	<b>1 134 329</b>	<b>1 193 996</b>	<b>1 095 818</b>	<b>1 125 098</b>
Non-controlling interests	102	361	364	311
<b>Total equity and minority interests</b>	<b>1 134 431</b>	<b>1 194 357</b>	<b>1 096 182</b>	<b>1 125 409</b>
Non-current liabilities	224 608	287 665	206 985	265 040
Company taxes	18 510	15 427	16 800	15 366
Open position liabilities	571 010	796 912	683 014	1 112 631
Current liabilities	149 657	201 939	177 205	155 040
<b>Total current liabilities</b>	<b>739 177</b>	<b>1 014 278</b>	<b>877 019</b>	<b>1 283 037</b>
<b>Total equity and liabilities</b>	<b>2 098 215</b>	<b>2 496 300</b>	<b>2 180 186</b>	<b>2 673 485</b>

Intangible fixed assets increased by NOK 50 million to 858 million in the second quarter 2010, compared to 31 March 2010. The increase is due to currency adjustments of goodwill related to Spectron Group Limited, partly offset by impairment of the goodwill in Imarex Italy S.r.l. of NOK 6 million, changes in deferred tax assets and depreciation of excess values.

Options open interest assets and liabilities decreased to NOK 571 million at the end of the second quarter 2010, down from NOK 683 million at the end of the previous quarter. The development of these balance sheet items depends on market levels, open interest volume, the strike prices and option types. Hence, except for the open interest volume, the variability of this is not an indicator of the underlying business volume for NOS. The amount is the cost of closing the entire open interest of options at prevailing market prices (the option premium) at the end of the quarter. The closing costs of the options are fully collateralised by margins posted by the clearing members.

Liquid funds stood at NOK 539 million, down from 552 million at 31 March 2010, mainly caused by a down payment on the interest bearing loan of NOK 50 million offset by positive cash flow from operating activities. Please also see comments to the condensed consolidated statement of cash flows for further details.

Total shareholders' equity stood at NOK 1,134 million at the end of the second quarter 2010 which is up from NOK 1,096 at the end of the previous quarter. The increase in equity is related to positive foreign exchange translation effects of NOK 55 million partly offset by the negative result for the second quarter of NOK 17 million.

Current liabilities were NOK 150 million at the end of the reporting quarter, below current liabilities at the end of the previous quarter. Non-current liabilities stood at NOK 225 million at the end of the second quarter 2010, up from NOK 207 million at 31 March 2010. The main reason for the increase relates to the translation effects on the USD nominated part of the interest-bearing debt as well as changes in deferred tax.

## Condensed consolidated statement of cash flows (unaudited)

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
<b>Cash flow from operating activities</b>						
Ordinary result before taxes	-19 191	23 777	-5 839	-25 030	47 914	93 824
Depreciation and amortisation	7 794	9 024	8 218	16 012	18 229	35 912
Impairment write down	6 430	0	576	7 006	0	0
Taxes paid	-6 542	-11 638	-7 660	-14 202	-19 798	-21 847
Cost of employee options	0	884	-223	-223	1 769	1 656
Difference between pension premium paid and pension expense	-1 094	-917	393	-701	-454	1 071
Unrealised exchange (gain)/loss	13 988	-17 675	2 675	18 529	-34 471	-39 419
Change in accounts receivable	-5 263	2 468	-1 302	-6 565	6 734	43 047
Change in accounts payable	2 564	2 404	-347	2 217	2 614	-1 254
Change in other short-term operating assets and liabilities	39 255	33 920	-34 130	3 260	21 135	-42 721
<b>Net cash flow from operating activities (A)</b>	<b>37 941</b>	<b>42 246</b>	<b>-37 639</b>	<b>303</b>	<b>43 672</b>	<b>70 270</b>
<b>Cash flow from investing activities</b>						
Investment in intangible assets	214	0	-214	0	0	-3 798
Sales and purchases of other investments	61	-51 582	-165	-104	-52 278	0
Purchases of tangible fixed assets	-1 155	-3 175	-2 925	-4 080	-4 150	-7 708
Purchases of shares, net of purchased cash and cash equivalents	0	0	0	0	0	-6 568
Investments in own shares	0	0	0	0	-1 480	-1 480
<b>Net cash flow from investing activities (B)</b>	<b>-880</b>	<b>-54 757</b>	<b>-3 304</b>	<b>-4 184</b>	<b>-57 908</b>	<b>-19 555</b>
<b>Cash flow from financing activities</b>						
Repayment other non-current liabilities	0	0	-3 965	-3 965	0	-8 426
Repayment long-term interest bearing debt	-50 250	-23 333	0	-50 250	-63 843	-90 250
<b>Net cash flow from financing activities (C)</b>	<b>-50 250</b>	<b>-23 333</b>	<b>-3 965</b>	<b>-54 215</b>	<b>-63 843</b>	<b>-98 676</b>
<b>Net change in cash and cash equivalents for the period (A+B+C)</b>	<b>-13 189</b>	<b>-35 844</b>	<b>-44 908</b>	<b>-58 097</b>	<b>-78 079</b>	<b>-47 962</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>552 374</b>	<b>603 007</b>	<b>597 282</b>	<b>597 282</b>	<b>645 243</b>	<b>645 243</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>539 185</b>	<b>567 163</b>	<b>552 374</b>	<b>539 185</b>	<b>567 163</b>	<b>597 282</b>

Net cash flow from operating activities was positive by NOK 37.9 million in the second quarter 2010, down from NOK 42.2 million in the same period last year. As described in our first quarter 2010 financial report, cash flow for the first half of 2010 was negatively affected by certain advance payments of bonuses in the first quarter, while the employee tax part of the payments have a negative effect in the second quarter. As a consequence, cash flow in the second half of 2010 is expected to be stronger than in a normal bonus cycle. In addition, the non-recurring costs incurred in the first half have affected cash flow from operations negatively and will to a certain degree also have a negative effect on the second half.

Net cash flow from investing activities was negative with NOK 0.9 million in the second quarter 2010, compared to NOK 54.8 million the same period last year, where Imarex invested in bonds.

Net cash used in financing activities was NOK 50.3 million in the second quarter 2010, related to repayment of non-current debt of NOK 50.3 million.

Net negative change in cash and cash equivalents for the period was NOK 13.2 million for the quarter and total liquid funds at the end of the quarter were NOK 539.2 million.

## Consolidated statement of changes in equity (unaudited)

Figures in NOK 1 000	Issued capital	Share premium	Other paid in equity	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity 31.12.08</b>	14 965	951 064	14 579	144 609	1 125 217	444	1 125 660
Total comprehensive income				-294	-294	-133	-427
Purchase of own shares	-25	-1 455			-1 480		-1 480
Cost of employee options			1 656		1 656		1 656
					0		0
<b>Equity 31.12.09</b>	14 940	949 609	16 235	144 315	1 125 099	311	1 125 409
Total comprehensive income				9 245	9 245		9 245
Non-controlling interest					175	-175	0
Cost of employee options			-223		-223		-223
<b>Equity 30.06.2010</b>	14 940	949 609	16 012	153 560	1 134 295	136	1 134 431

## Business Areas

For the first quarter of 2010 the Imarex Group consisted of four segments. As described the organisational structure has been changed and from Q2 2010 reporting will reflect the new structure with three segments – OTC, Clearing and Market Analysis.

### OTC

Spectron Group, which is the main part of the OTC segment, operates one of the largest global energy marketplaces with around 150 employees and an annual trading volume of around 12 000 TWh. The screen-based trading systems serve more than 1 500 professional users trading physical and financial products in a number of wholesale markets, including natural gas, electricity, emissions, coal, metals, weather, crude oil, oil products and environmental products.

From the second quarter 2010, the OTC segment also incorporates the International Maritime Exchange (IME) which is a regulated market for maritime freight derivatives. IME has offices in Oslo, Singapore and Genoa and is the market leader in the global tanker freight derivatives market.

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Operating revenue	134 770	133 432	137 659	272 429	284 368	539 126
EBITDA	11 733	21 294	21 640	33 373	46 025	88 090
<i>Underlying EBITDA</i>	27 203	21 294	24 557	51 760	46 025	88 090
Operating result	-24	15 420	15 827	15 803	34 056	64 833
<i>Underlying operating result</i>	21 875	15 420	19 320	41 195	34 056	64 833
Total assets	928 698	1 002 390	873 767	928 698	1 002 390	908 409
Total liabilities	807 600	821 793	766 288	807 600	821 793	791 593

The OTC segment remains by far the largest part of the Imarex Group. The activity level was at an all time high at the beginning of the second quarter 2010, while the end of the quarter was affected by a seasonal reduction of volumes due to the onset of summer. Again the strong and robust result is driven by core businesses in gas and power markets. Operating revenue increased marginally from NOK 133.4 million in the second quarter 2009 to NOK 134.8 million in the second quarter 2010. This accounted for close to 84 percent of Imarex's total revenues in the second quarter, with an underlying EBITDA contribution of NOK 27.2 million. This is a significant improvement in underlying results both from the previous quarter and the comparable quarter of 2009.

The increase in revenues from the comparable quarter 2009 is despite a weakening of USD, GBP and EUR of 4%-11% against NOK. Average daily revenue (ADR) for the second quarter 2010 for Spectron in its functional currency (excluding foreign exchange translation effects of operational monetary balance sheet items) was GBP 223k, an increase of 9% from the second quarter 2009 and an increase of 6% from the previous quarter. Underlying EBITDA excluding non-recurring one-off charges was up from NOK 21.3 million in the second quarter of 2009 and NOK 24.6 million in the first quarter 2010 to NOK 27.2 million in the current quarter. The underlying operating result was NOK 21.9 million, after amortisation of identified intangible assets of NOK 3.2 million. Please see note 4 for further details regarding non-recurring charges.

The OTC segment's solid and profitable development is expected to continue and the integration of the Exchange and OTC activities is gradually expected to improve the underlying results. However, the summer months from June through August are normally seasonally quiet and this has historically led to weaker results in the third quarter. Looking ahead Imarex expects the positive development for the OTC segment to continue through the autumn of 2010 and onwards. OTC segment has extended its market coverage to include European fuel oil. Spectron has recruited a team of experienced fuel oil brokers that will be starting operations from the London offices in the beginning of September. This will further strengthen the offering within the OTC segment and is expected to contribute positively to the Group's results from 2011.

Imarex is monitoring the legal situation in the US following the Dodd-Frank Act that was resolved this summer. Currently Imarex is relying on a no-action letter from the US Commodity Futures Trading Commission (CFTC) for its US freight business. Other matching services currently fall outside the Commodity Exchange Act, but this may change when the detailed regulations of the Dodd-Frank Act are passed. Imarex has a good dialogue with the CFTC and will take the necessary steps to ensure that US customers are served in a compliant and efficient manner.

## Clearing

The Clearing segment consists of NOS Clearing ASA (NOS). Since 2001, NOS has delivered clearing services to the freight industry. With innovations, good service, excellent IT systems and competitive fees, NOS is the leading futures and options clearing house for the global freight markets. Other markets served by NOS are seafood, bunker fuel oil, UK Gas, Swedish EI-certificates, Nordic and German power.

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Operating revenue	18 593	17 882	13 385	31 977	36 870	72 595
EBITDA	2 762	-2 718	-2 755	8	-4 832	-2 113
<i>Underlying EBITDA</i>	2 762	-2 718	-2 755	8	-4 832	-313
Operating result	507	-5 664	-5 520	-5 013	-10 700	-13 932
<i>Underlying operating result</i>	507	-5 664	-5 520	-5 013	-10 700	-12 132
Total assets	1 104 612	1 330 344	1 207 432	1 104 612	1 330 344	1 645 876
Liabilities	778 551	1 008 265	884 313	778 551	1 008 265	1 321 554

Operating revenue was NOK 18.6 million in the second quarter of 2010, up by NOK 5.2 from the previous quarter and up NOK 0.7 million compared to the second quarter of 2009. EBITDA was NOK 2.8 million, an improvement of NOK 5.5 million both from the second quarter of 2009 and the previous quarter. After amortisation of identified intangible assets with NOK 1.5 million in the Group accounts, the operating profit was NOK 0.5 million for the quarter.

The FFA volumes cleared by NOS increased from the first to the second quarter of 2010 (see clearing statistics below). Tanker futures were up by 10% to 64 000 lots. The market share in the tanker segment is stable around 70%. In the second quarter, the volume in the global dry market was down compared to the first quarter while NOS cleared dry futures were up by 25% to 40 000 lots. NOS' market share in the dry segment has increased during the first half of 2010 and on a weekly basis varies between 12 to 20 %. Freight options were up by 118% to 24 000 lots with a premium value of USD 58 million. This is lower than second quarter last year but is nevertheless a significant improvement in liquidity in the freight option market from the previous quarter.

NOS had an open interest<sup>1</sup> of 56 668 lots on tanker and dry bulk futures and 51 785 lots on options, totalling 108 453 at the end of second quarter, up from 101 365 lots at the end of the first quarter.

The seafood market was very active in the second quarter of 2010. Several industrial players joined the cleared market and the cleared volume was over 15 000 tonnes, close to four times the volume in the first quarter of 2010. The open interest doubled to 16 000 lots from the first to the second quarter. Trading in seafood options has commenced and is expected to be an attractive instrument going forward.

### Clearing statistics – NOS Clearing ASA

	Q2 10		Q2 09		Q1 10		YTD 10		YTD 09		2009	
	Lots*	Value**	Lots*	Value**	Lots*	Value**	Lots*	Value**	Lots*	Value**	Lots*	Value**
Tanker futures	64	\$1 027	54	\$838	58	\$917	123	\$1 944	104	\$1 687	197	\$3 254
Dry futures	40	\$1 052	26	\$666	32	\$892	73	\$1 945	46	\$1 010	100	\$2 457
Freight options	24	\$58	17	\$72	11	\$35	35	\$92	39	\$120	93	\$409
Seafood	15	kr 556	12	kr 661	4	kr 128	19	kr 684	15	kr 851	27	kr 1 563

\* Tanker/Bunker: 1 Lot = 1.000 ton, Dry Bulk: 1 Lot = 1.000 ton or 1 Day (for Time Charter contracts). Seafood: 1 Lot = 1.000kg.

\*\* Value (in million): for freight options: option premium, all other: Lots\*number of underlying\*trade-price

The clearing service for the Swedish EI-cert market was launched in February 2010 and has been well received by the market participants. In the second quarter, NOS cleared transactions for close to 300,000 ei-certs.

The clearing service for financially settled UK Gas options and futures was launched in January 2010. In the second quarter, NOS cleared option transactions. Revenues from clearing of UK Gas and the combined Nordic and Continental power markets remained low through the second quarter.

<sup>1</sup> NOS' calculation of open interest includes only net long positions. This differs from other clearing houses which also include short positions.

## Market Analysis

The Market Analysis segment provides independent price prognoses and fundamental market analyses on energy markets through Nena and on aquaculture and fisheries through Kontali. Nena target traders, management and investors and covers Nordic power, Continental European power, CO2 emissions, dry freight, gas and coal markets. Kontali has build up the world's most comprehensive database covering the value chain of aquaculture and catch of fish and crustaceans.

Figures in NOK 1 000	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Operating revenue	8 017	6 247	7 941	15 958	11 971	27 342
EBITDA	899	2 328	990	1 889	3 141	5 171
<i>Underlying EBITDA</i>	1 291	2 328	990	2 281	3 141	6 471
Operating result	762	2 209	853	1 615	2 908	4 666
<i>Underlying operating result</i>	1 154	2 209	853	2 007	2 908	5 966
Total assets	43 543	27 832	44 143	43 543	27 832	41 817
Total liabilities	34 337	21 066	35 282	34 337	21 066	33 483

The Market Analysis segment had operating revenues of NOK 8.0 million in the second quarter 2010 up from NOK 6.2 million the second quarter in 2009. The revenue in the reporting quarter was up due to the acquisition of Kontali in Q3 2009. Nena revenue was down compared to same quarter last year, primarily due to difficult market conditions in Nordic Power and negative foreign exchange effects. Kontali reported increased revenues compared to pro forma numbers in Q2 2009. The underlying operating result for the segment was NOK 1.3 million, down from NOK 2.2 million in the corresponding quarter last year. A key reason for the decrease, apart from the reduction in revenue, was a NOK 1.1 million effect of a change in accounting principles related to holiday pay accruals.

## Half year report 2010

Imarex is a leading commodity derivatives market and clearing houses.

Imarex will compete globally in the markets for energy derivatives and maritime freight and seek new market positions in related commodity derivatives.

The Imarex Group has operations in Europe, Asia and North America. The clearing business is conducted out of Norway. The OTC business is conducted out of United Kingdom, USA, Norway, Singapore and Germany. The Market Services business, including analysis, data sales and training are supplied from Norway.

### Significant events in the first half of 2010

During the first quarter 2010 the Imarex Group reviewed its strategy and decided to focus its operations on two main business areas, both of which have shown significantly potential for creating value for the shareholders – OTC and Clearing segments. As part of the reviewed strategy the former Exchange segment is from the second quarter 2010 a part of the OTC business.

On 6 May 2010 Imarex ASA appointed Geir Olsen as the Group's new CEO. Simon F. Davidson and Gordon S. Bennett took over responsibility as managing directors for OTC Europe and Asia and OTC North America respectively.

### Financial results for the first half of 2010

The operating revenue decreased by 4 % to NOK 319.6 million for the first half of 2010, down from NOK 332.0 million for the same period in 2009. The main reason for the reduction in revenue is the weakening of the GBP, USD and EURO of 8-10%, compared to the same period last year.

Payroll excluding bonus was NOK 125.5 million for the first half of 2010, up from NOK 121.6 million in the same period in 2009. Non-recurring items included in payroll consists of NOK 19.7 million for the first half of 2010. Non-recurring items are related to restructuring of the OTC and former Exchange segment, change of CEO and streamlining the Corporate functions. Payroll excluding bonus and non-recurring items are 13% down compared to first half of 2009.

Depreciation decreased from NOK 18.2 million for the first half of 2009 to NOK 16.0 million in the same period of 2010. The latter figure includes amortisation of identified intangible assets of NOK 3.4 million in NOS Clearing and NOK 6.4 million in Spectron Group for the first half year of 2010. Impairment of fixed assets for the Nordic power business and the impairment of goodwill in Imarex Italy constitutes to NOK 7.0 million.

Operating costs before depreciation and amortisation marginally increased from NOK 298.4 million in the first half year of 2009 to NOK 302.7 million in the reporting period. Operating costs before depreciation and amortisation includes non-recurring items of NOK 29.9 million for the first half of 2010. Operating costs before depreciation and amortisation excluding non-recurring items are 9% down compared to the same period last year. See note 4 for further details regarding non-recurring charges.

Net financial items primarily consist of interest earned on the Group's cash holding, realised and unrealised foreign exchange gains and losses related to non-operational monetary items and interest on bank debt. Net financial loss was NOK 18.9 million for the first half year of 2010 compared to a gain of NOK 32.6 million in the same period in 2009. Unrealised losses on the USD nominated part of the interest bearing loan was NOK 15.8 million and net unrealised losses related to foreign exchange translation effects on financial instruments NOK 2.7 million in the first six months of 2010.

Consequently, result before tax was negative with NOK 25.0 million for the first half of 2010, down from a profit of NOK 47.9 million in the same period of 2009. Total condensed comprehensive income for the first half of 2010 was NOK 9.2 million, down from NOK 68.4 million in the same period last year. The positive comprehensive income relates to the loss for the period of NOK 22.1 million which is more than offset by the foreign exchange translation effects related to foreign subsidiaries of NOK 7.4 million and translations effects of goodwill related to Spectron Group of NOK 24.0 million.

The Imarex Group had liquid funds of NOK 539.2 million at the end of the second quarter 2010, down from NOK 597.3 million at the end of 2009. The main reason for reduction in liquid funds is down payment on the interest bearing loan of NOK 50.3 million.

Total shareholders' equity stood at NOK 1,134.4 million at the end of the reporting period, up from NOK 1,125.1 million at the end of 2009. Total assets were NOK 2,098.2 million, compared to NOK 2,673.5 at the

end of 2009. Open interest assets and liabilities in NOS Clearing decreased to NOK 571.0 million at the end of the first half 2010, down from NOK 1,112.6 million at the end of 2009.

## **Outlook**

Imarex offers trading services, market analysis, marketplaces and clearing within energy, freight, seafood and other closely related business areas. The strategy remains to focus the service of both front-end and clearing around the two segments OTC and Clearing in order to capitalise on the company's strong customer base.

The OTC segment's solid and profitable development is expected to continue and the integration of the Exchange and OTC activities is gradually expected to improve the underlying results. However, the summer months from June and through August are normally seasonally low and this has historically led to weaker results in the third quarter. Looking ahead Imarex expects the positive development for the OTC segment to continue through the autumn of 2010 and onwards. The OTC segment have recently recruited a team of eight experienced fuel oil brokers that will be starting operations from the London offices in the beginning of September. This recruitment will further strengthen the offering within the OTC segment and is expected to contribute positively to the Group's results from 2011.

The Clearing segment still provides the highest potential for improved profitability and the positive development seen towards the end of 1H 2010 is expected to continue even with volumes and activity still expected to be volatile. The growth within seafood has continued in Q3 and the strong outlook for the fish farming sector provides reason for continued optimism.

Within Market Analysis the company expects the steady, profitable development to continue.

Imarex remains attractively positioned in market segments with significant organic growth potential and the new organisational structure should make it easier to realise the inherent potential. The company will continue to actively pursue opportunities and processes in order to create value for its shareholders and at the same time seek to deliver better results from its current segments.

The Board of Directors emphasises that there is uncertainty related to the evaluation of future prospects.

## **Risks and uncertainty**

As described in Imarex's Annual Report for 2009 (please see the Board of Directors report and note 23 and 24) Imarex's total risk exposure is analysed and evaluated at Group level. Risk evaluations are integrated in all business activities both at Group and business unit level, increasing Imarex's ability to take advantage of business opportunities.

Future results will among other things depend on transaction volumes in the market, the Group's market share, foreign exchange rates and interest rates. Transaction volumes have historically varied significantly from month to month and quarter to quarter, depending on underlying market sentiments and volatility. The Group's income is also exposed to forward curve prices in the relevant markets as a portion of the fee income is determined as a percentage of the underlying contract value.

While the Board of Directors believes that the Group's income will grow over time, it should be understood that significant variations in monthly income should be expected. The Group competes in a global market and future income will therefore also depend on its continued ability to be competitive.

## **Related parties**

Note 15 in the Annual Report for 2009 provides details of related parties. During the first half of 2010 there have not been any changes or transactions that significantly impacts on the Group's financial position or result for the period.

## **Events after the end of the reporting period**

Nena has received a ruling from the tax authorities whereby the company needs to pay additional employer's tax related to previous periods. The estimated liability for the company is NOK 1.7 million, of which NOK 1.3 million has already been paid and accrued for in the fourth quarter 2009, while the additional NOK 0.4 million has been accrued for in the current quarter. Nena disagrees with the tax authorities ruling and is considering challenging the decision by taking legal steps.

Imarex has been sued by its former CEO Mr. Herman W. Michelet who is claiming to be entitled to additional bonus for 2009 and salary on top of his termination package. Mr. Michelet received NOK 750,000 as bonus for 2009 and NOK 6 million as termination consideration which was all accrued in our Q1 financial statements. Mr. Michelet resigned as the company's CEO on 12 March this year. The maximum additional liability for the company is around NOK 3 million. Imarex has sought external legal advice and is comfortable with its legal position, and hence no additional accrual is made for this claim. It is expected that the matter will be handled by Oslo City Court early next year.

## Responsibility statement

We confirm that, to the best of our knowledge, the condensed set of consolidated financial statements for the period 1 January to 30 June 2010 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of the Imarex's condensed consolidated assets, liabilities, financial position and the result for the period viewed in their entirety, and that the report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any of significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

### **The Board of Directors and Chief Executive Officer Imarex ASA**

**Oslo, 19 August 2010**

Christian Due  
Chairman

Helene Jebsen Anker  
Vice Chairman

Nils Andreas Arnesen  
Employee representative

Ted G. C. Kalborg

Ingrid E. Leisner

Peter V McKee  
Employee representative

Alexander Rødsten  
Employee representative

David Shuler

Geir Olsen  
Chief Executive Officer

## Selected Disclosure Notes

### 1. Basis for preparation – accounting principles applied in this report

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the standard for interim reporting (IAS 34). The accounting policies in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009, except for the changes described below. These consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2009 annual financial statements, which include a full description of the Group's accounting policies. Imarex financial statements are available on request from the company or electronically at [www.imarex.com](http://www.imarex.com). Due to rounding adjustments, the numbers in one or more columns may not add up to the total of that column. The interim financial statements are unaudited.

#### Change in accounting policies

Revised IFRS 3 Business combinations - The revised standard introduces changes in the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. The revised standard did not have any effects in the first half of 2010.

Revised IAS 27 Consolidated and separate financial statements - The revised standard requires that changes in ownership interest of a subsidiary are accounted for as an equity transaction. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Losses on foreign currency forward contracts related to acquisitions of non-controlling interests have been recognised in the income statement, since the derivatives no longer meet the criteria for hedge accounting according to the revised IAS 27. The revised standard did not have any effects in the first six months of 2010.

In addition Imarex ASA from 1 January 2010 adopted other revised and amended accounting standards and improvements to IFRSs adopted by the European Union. The revised and amended accounting standards and improvements have no significant impact on the Group's consolidated interim financial statements.

#### Consolidation principles

The consolidated group accounts incorporate the interim financial statement of Imarex ASA and entities controlled by Imarex ASA.

The result of subsidiaries acquired or disposed of during the year are included in the consolidated group accounts from the effective date of acquisition or up to the effective date of disposal, as appropriate. Inter-company transactions, balances, revenues and expenses are eliminated on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group equity. The subsidiaries follow the same accounting principles as the holding company.

#### Sales revenues and operating expenses

Revenue from commissions is accounted for at the time of a contractual agreement being entered into between two parties.

Margins on client accounts have been booked as ordinary operating income. Guarantee costs have been booked as other operating costs.

Information sales and some analysis sales contracts are invoiced quarterly, semi annually or annually and the revenue is booked *pro rata* on a monthly basis.

#### Segments

Segments are reported in accordance with IFRS 8.

The Group reports three different segments; OTC, Clearing and Market Analysis. This is a change from previous financial reporting, as the Exchange segment has been incorporated in the OTC segment and parts of the previous Market Analysis segment have been transferred to the OTC segment, while the rest of the Market Analysis segment have been renamed to Market Analysis. Historical financial reporting have been restated to be comparable. The following tables presents operating revenue, EBITDA and profit and certain asset and liability information regarding the Group's business segments and areas for the second quarter 2010 and YTD 2010. The column labelled "Unallocated" in the table consists of the parent company, Imarex ASA and Imarex Financials Services AS.

Second quarter 2010 Figures in NOK 1 000	OTC	Clearing	Market Analysis	Elimination	Unallocated	Group
Operating revenue	134 770	18 593	8 017	-1 915	1 817	161 282
EBITDA	11 733	2 762	899	61	-7 226	8 230
<i>Underlying EBITDA</i>	27 203	2 762	1 291	114	-3 041	28 328
Operating result	-24	507	762	61	-7 299	-5 994
<i>Underlying operating result</i>	21 875	507	1 154	113	-3 115	20 534
Total assets	928 698	1 104 612	43 543	-1 285 055	1 306 417	2 098 215
Total liabilities	807 600	778 551	34 337	-879 765	223 061	963 785

YTD June 2010 Figures in NOK 1 000	OTC	Clearing	Market Analysis	Elimination	Unallocated	Group
Operating revenue	272 429	31 977	15 958	-4 541	3 757	319 581
EBITDA	33 373	8	1 889	0	-18 373	16 897
<i>Underlying EBITDA</i>	51 760	8	2 281	52	-7 343	46 758
Operating result	15 803	-5 013	1 615	0	-18 527	-6 122
<i>Underlying operating result</i>	41 195	-5 013	2 007	52	-7 496	30 745
Total assets	928 698	1 104 612	43 543	-1 285 055	1 306 417	2 098 215
Total liabilities	807 600	778 551	34 337	-879 765	223 061	963 785

### Shares in subsidiary companies

The acquisition of subsidiaries and mergers are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of the exchange of the assets given, liabilities incurred or assumed, in exchange for control of the acquiree, plus any cost directly attributed to the business combination.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date. Goodwill is the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

### Customer invoices

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provisions are made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

### Share option scheme / share based payments

Under IFRS, fair value of share options at the allocation date are charged against profit and loss over the vesting period of the options. It was no outstanding options at 30 June 2010.

### Comparable figures 2009

Presentation of certain foreign currency effects for previous quarters in 2009 are amended resulting in a reclassification between operating revenues and other operating expenses.

## **2. Intangible assets**

The Group has carried out tests of impairment indicators for all intangible assets including goodwill as of 30 June 2010. As a result of the global downturn, some of the markets in which the Imarex Group operates have been negatively affected. Based on the test of impairment indicators, the goodwill in Imarex Italy S.r.l has been impaired. The assumptions used in the impairment test were disclosed in note 17 in the annual report for 2009.

No need for further impairment write downs on the remaining intangible assets were identified during the test of impairment indicators.

## **3. Amendments to loan covenants**

Due to the restructuring of the Group during first half year of 2010 some changes have been agreed to the loan agreement with DnB NOR Bank ASA. In the agreed amended loan agreement Imarex has prepaid the instalment falling due 28.02.2011 of NOK 50.25 million in June 2010. The amended agreement agreed that non recurring costs items of up to NOK 30 million shall be withheld from the calculation of rolling EBITDA for the next 12 months.

The new agreed calculation of ratio for consolidated interest bearing debt (IBD) to EBITDA for the Group is as follows:

- 30.06.10 the consolidated IBD/EBITDA must not exceed 4.0
- 30.09.10 the consolidated IBD/EBITDA must not exceed 3.5
- 31.12.10 the consolidated IBD/EBITDA must not exceed 3.5
- and further the consolidated IBD/EBITDA must not exceed 3.0

Interest rate margin on NIBOR/LIBOR will vary between 1.25% and 2.75% depending on the IBD/EBITDA multiple.

Please see note 20 in the annual report from 2009 for further information regarding the loan.

#### 4. Non-recurring items and restructuring provision

The first six months of 2010 have been negatively impacted by non-recurring items and and restructuring provisions related to the reorganisation of the Group. The main elements are;

- change of Group CEO and head of the OTC segment
- closure of the Nordic power swaps operation in Stavanger
- incorporating the Exchange segment into the OTC segment
- streamlining the corporate headquarter
- Employee tax for previous years Nena (see note 5 below)

Non-recurring items below are excluded from underlying Group key figures, while included in the main Condensed consolidated income statement. To show comparable figures, non-recurring items for 2009 are also carved out with the following main items;

- employee termination cost in Q3 2009 (Clearing and Corporate)
- Employee tax for previous years Nena in Q4 2009 (see Note 5 below)

Figures in NOK	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Payroll excluding bonus	9 935	0	9 763	19 698	0	4 000
IT and communication costs	5 974	0	0	5 974	0	0
Consultancy fees	2 400	0	0	2 400	0	0
Property costs	643	0	0	643	0	0
Travel/entertainment	96	0	0	96	0	0
Other operating expenses	1 050	0	0	1 050	0	0
Operating costs before depr./amort./bonus	20 098	0	9 763	29 861	0	4 000
<i>Impairment</i>	6 430	0	576	7 006	0	0
<b>Total non-recurring items and restructuring provision</b>	<b>26 528</b>	<b>0</b>	<b>10 339</b>	<b>36 867</b>	<b>0</b>	<b>4 000</b>

#### Restructuring provision at the end of June 2010

Figures in NOK	30.06.10
Payroll excluding bonus	6 074
IT and communication costs	5 974
Consultancy fees	1 350
Property costs	518
Travel/entertainment	96
Other operating expenses	1 050
<b>Total restructuring provision 30.06.2010</b>	<b>15 063</b>

#### 5. Events after the balance sheet date

Nena has received a ruling from the tax authorities whereby the company needs to pay additional employer's tax related to previous periods. The estimated liability for the company is NOK 1.7 million, of which NOK 1.3 million has already been paid and accrued for in the fourth quarter 2009, while the additional NOK 0.4 million has been accrued for in the current quarter. Nena disagrees with the tax authorities ruling and is considering challenging the decision by taking legal steps.

Imarex has been sued by its former CEO Mr. Herman W. Michelet who is claiming to be entitled to additional bonus for 2009 and salary on top of his termination package. Mr. Michelet received NOK 750,000 as bonus for 2009 and NOK 6 million as termination consideration which was all accrued in our Q1 financial statements. Mr. Michelet resigned as the company's CEO on 12 March this year. The maximum additional liability for the company is around NOK 3 million. Imarex has sought external legal advice and is comfortable with its legal position, and hence no additional accrual is made for this claim. It is expected that the matter will be handled by Oslo City Court early next year.

#### 6. Employees

The number of employees (full time equivalents) in the Group was 248 at the end of the second quarter 2010, down from 264 at the end of first quarter 2010 and down from 266 at the end of the second quarter 2009.