

Imarex 

Q2 2010

August 23, 2010

CEO Geir Olsen

# 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.
- Group revenues of NOK 161.3 million and underlying EBITDA of NOK 28.3 million
- Non-recurring restructuring charges affected results in the second quarter negatively by NOK 20.1 million. In addition the result is affected NOK 6.4 million by impairment charges and foreign exchange loss of NOK 14.0 million, both with no cash effect.
- The OTC segment continues its solid performance posting an underlying EBITDA of NOK 27.2 million
- The Clearing segment returned to profitability and Market Analysis continue to deliver positive results
- Imarex remains financially robust and maintains its ambition to actively participate in consolidation processes to create value for shareholders

# Positive effects from restructuring



- During the spring 2010 the Imarex Group decided to focus its operations on two core business areas
- Through Q2 2010 focus has been on implementation of the necessary measures in order to secure full operational effect of the changes from Q3 2010
- Though, Imarex has already experienced that the streamlined organisation will yield improved operational efficiency and thus better financial results.
- Imarex expects these first positive effects to keep up also in 2H 2010, despite expected seasonally weak Q3

# Significantly reduced cost base

- Discontinued loss making activities
  - Stavanger - Nordic Power swaps
  - Dry bulk FFA
- Reduced adm costs from OTC and Exchange combination
- Lowered cost base for Clearing
  - 25% down from 1<sup>st</sup> half 2009 to NOK 16 million per quarter (excl. D&A)
- Corporate staff reduced to from 12 to 4 FTE's
  - Reduction will take down corporate cost level to an annual run-rate of NOK 15 million by the end of 2010, compared to NOK 30 million in 2009

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# Financials Q2 2010

# Group Key Figures (excl non-recurring items)

	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Operating revenue	<b>161,3</b>	156,9	158,3	319,6	332,0	632,4
EBITDA	<b>28,3</b>	16,0	18,4	46,8	33,5	68,8
EBITDA margin (%)	<b>17,6</b>	9,7	12,7	14,6	10,1	10,2
Operating result	<b>20,5</b>	7,0	10,2	30,8	15,3	32,9
Result before tax	<b>7,3</b>	23,8	4,5	11,8	47,9	97,8
Result for the period	<b>4,0</b>	15,6	2,4	6,4	34,1	65,1
Basic EPS (NOK)	<b>0,26</b>	1,03	0,16	0,42	2,25	4,33
Diluted EPS (NOK)	<b>0,26</b>	1,03	0,16	0,42	2,25	4,33

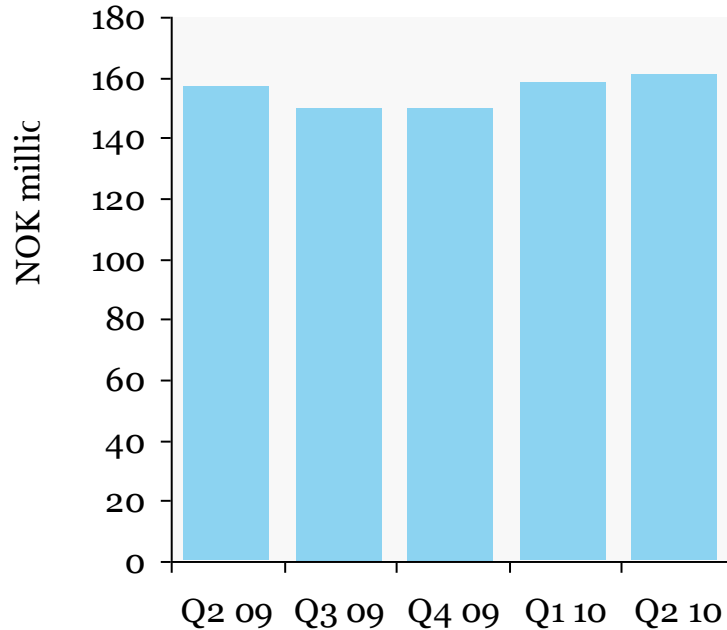
# Non-recurring and restructuring items

Figures in NOKm	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
Payroll excluding bonus	9,9	0	9,8	19,7	0	4,0
IT- & Communication costs	6,0	0	0	6,0	0	0
Consultanty fees	2,4	0	0	2,4	0	0
Property costs	0,6	0	0	0,6	0	0
Travel/entertainment	0,1	0	0	0,1	0	0
Other operating expences	1,0	0	0	1,0	0	0
Operating costs before depreciation/ amortisation/bonuses	20,1	0	9,8	29,9	0	4,0
<i>Impairment</i>	6,4	0	0,6	7,0	0	0
<b>Total non-recurring items and restructuring provision</b>	<b>26,5</b>	<b>0</b>	<b>10,3</b>	<b>36,9</b>	<b>0</b>	<b>4,0</b>

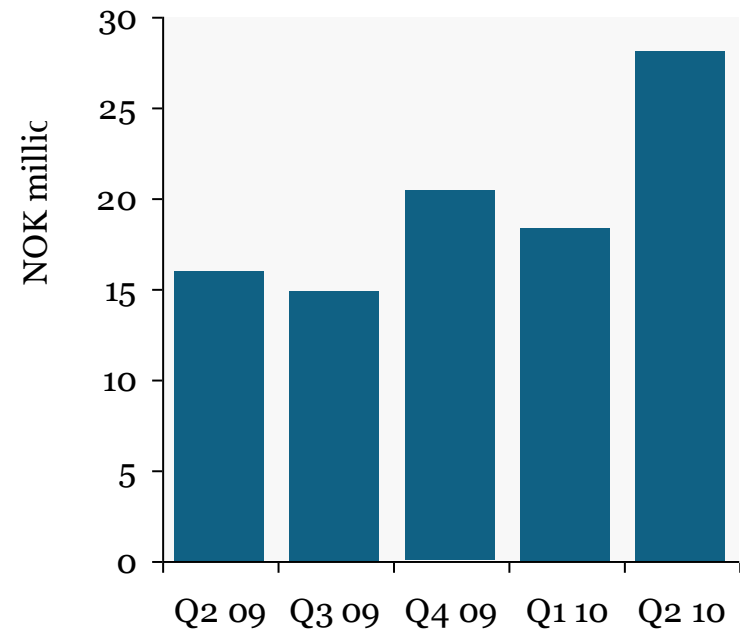
- Change of Group CEO and head of OTC segment
- Closure of Nordic Power Sap operations in Stavanger
- Incorporating the Exchange segment into OTC
- Streamlining corporate headquarter

# Group figures (excl non-recurring items)

## Revenues



## EBITDA



# Balance Sheet

	30.06.10	30.06.09	31.03.10	31.12.09
Non-current Assets	885,8	994,9	838,1	861,0
Liquid funds	539,2	567,2	552,4	597,3
Open position assets	571,0	796,9	683,0	1.112,6
Other receivables	102,3	137,3	106,7	102,6
Current Assets	1 212,5	1 501,4	1 342,1	1 812,5
<b>ASSETS</b>	<b>2 098,2</b>	<b>2 496,3</b>	<b>2 180,2</b>	<b>2 673,5</b>
Shareholders' equity	1 134,3	1 194,0	1 095,8	1 125,1
Non-controlling interest	0,1	0,4	0,3	0,3
Equity and non-controlling interest	1 134,4	1 194,4	1 096,2	1 125,4
Non-current liabilities	224,6	287,7	207,0	265,0
Open position liabilities	571,0	796,9	683,0	1 112,6
Company taxes	18,5	15,4	16,8	15,4
Other current liabilities	149,7	201,9	177,2	155,0
Current liabilities	739,2	1 014,3	877,0	1 283,0
<b>EQUITY AND LIABILITIES</b>	<b>2 098,2</b>	<b>2 496,3</b>	<b>2 180,2</b>	<b>2 673,5</b>
<b>Equity Ratio excl open pos. (%)</b>	<b>74,3%</b>	<b>70,3%</b>	<b>73,2%</b>	<b>71,3%</b>
<b>Equity Ratio (%)</b>	<b>54,1%</b>	<b>47,9%</b>	<b>50,3%</b>	<b>41,6%</b>

# Cash Flow

	Q2 10	Q2 09	Q1 10	YTD 10	YTD 09	2009
CF from operating activities	37,9	42,2	-37,6	0,3	43,7	70,3
CF from investing activities	-0,9	-54,8	-3,3	-4,2	-57,9	-19,6
CF from financing activities	-50,3	-23,3	-4,0	-54,2	-63,8	-98,7
Net change in cash and cash equivalents	-13,2	-35,8	-44,9	-58,1	-78,1	-48,0
Cash and cash eq. at beginning of period	552,4	603,0	597,3	597,3	645,2	645,2
Cash and cash eq. at end of period	539,2	567,2	552,4	539,2	567,2	597,3

- Continued evaluation of capital structure, including solution for Clearing
- Pre payment of debt NOK 50 million bringing interest bearing debt down below NOK 200 mill (USD 18 mill and NOK 82 mill)
- Annual and bi-annual bonus payments in excess of normal bonus cycle have negative effects on cash flow in the first half - will reverse in second half

# Largest Shareholders 20.08.2010

Holdings	Share	Name	Account type	Citizenship
2 154 344	14,28	CMEG NYMEX HOLDINGS		USA
1 618 707	10,73	VITAL FORSIKRING ASA DNB NOR KAPITALFORVALYNING		NOR
1 145 245	7,59	UBS AG, LONDON BRANC S/A IPB SEGREGATED C	NOM	GBR
1 026 100	6,80	SKAGEN VEKST		NOR
940 312	6,23	SUNDT AS		NOR
760 916	5,04	DEUTSCHE BANK AG CLIENTS ACCOUNT	NOM	DEU
683 408	4,53	SKIPS AS TUDOR		NOR
428 228	2,84	GOLDMAN SACHS & CO - SECURITY CLIENT SEGR	NOM	USA
330 450	2,19	EXPEDO SHIPPING CORP c/o EXOEDO MONACO		MHL
330 250	2,19	TACONIC AS CO RAGNAR HORN		NOR
330 000	2,19	WESTERN BULK AS c/o HÅVARD FURU		NOR
264 053	1,75	MORGAN STANLEY & CO S/A MSIL IPB CLIENT	NOM	GBR
254 900	1,69	FID. FUNDS-EUR. SM.		LUX
240 031	1,59	TRACY BRIAN DAVID		USA
205 094	1,36	JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	NOM	GBR
189 636	1,26	BRIGANTINA AS		NOR
165 124	1,09	JOHAN MICHELET A/S		NOR
163 637	1,08	JPMORGAN BANK LUXEMB S/A RE JP MORGAN PRI	NOM	LUX
162 100	1,07	BANK OF NEW YORK MEL S/A MELLON NOMINEE 1	NOM	USA
152 636	1,01	TOLUMA INVEST AS		NOR
<b>11.545.171</b>	<b>76,51</b>			

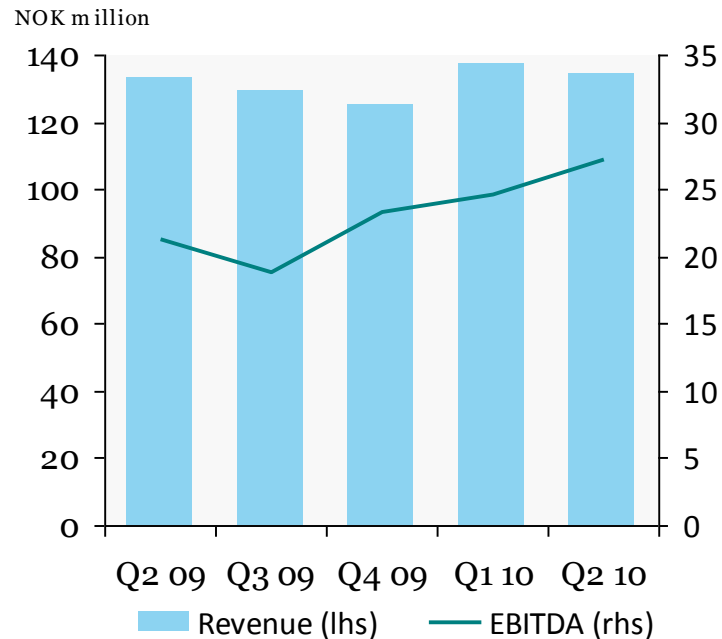
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# Segment information Q2 2010

- underlying figures excluding non-recurring items

# OTC

## Revenue and EBITDA



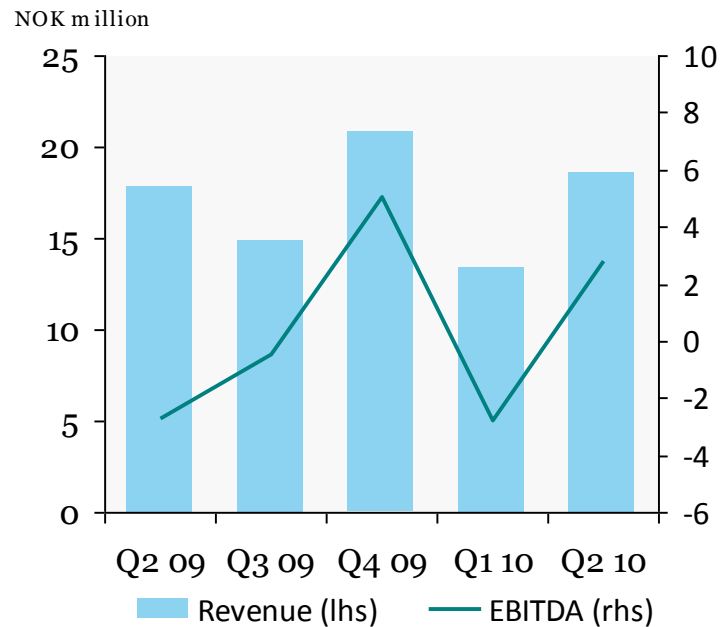
- Strong and robust results driven by core businesses in gas and power markets
- EBITDA of NOK 27.2 million
- Revenues up YoY despite softening of both USD, GBP and EUR towards NOK
- Strong operational focus through
  - Discontinuing loss making activities
  - Improved cost control
- Solid and profitable development expected to continue
- Integration of Exchange and OTC to gradually improve underlying results

# Launching European Fuel Oil Coverage

- Recruited team of 9 experienced brokers from MF Global
- A perfect fit for existing European and US oil products desk
- Starting operations from London office 1<sup>st</sup> September
- Revenue impact from Q4 2010 and full effect from 2011

# Clearing

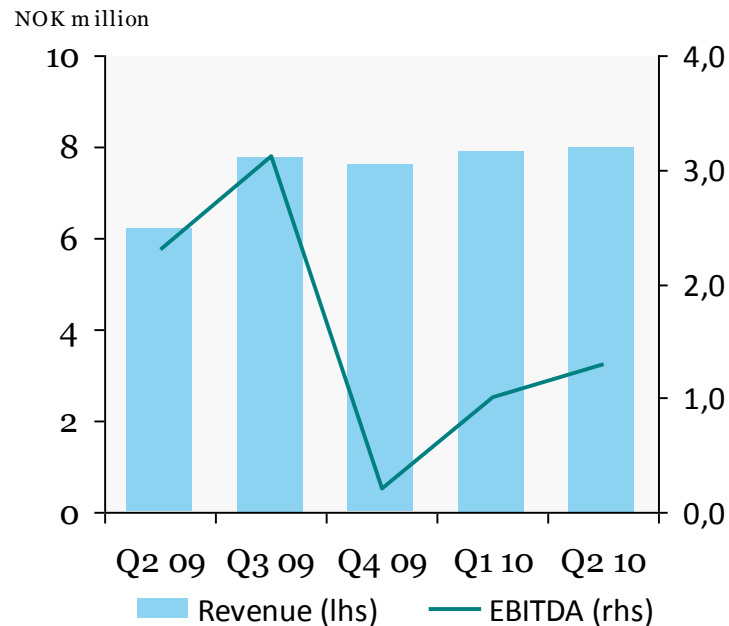
## Revenue and EBITDA



- Revenues slightly up YoY, ending at NOK 18,6 million
- Cost base significantly reduced
- Underlying EBITDA of NOK 2,8 million, an improvement of NOK 5,5 million both YoY and QoQ.
- Market share in tanker segment stable around 70%
- High activity in seafood markets
  - Several industrial players joined the cleared market.
  - Cleared volume of 15 000 tonnes, almost four times Q1 volumes

# Market Analysis

## Revenue and EBITDA



- Revenues flat, but mixed development
  - Nena revenues negatively affected by difficult Nordic Power market and forex effects
  - Kontali revenues up compared to Q2 09 proforma figures.
- Profitable business well positioned in a consolidating industry

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# Summary and Outlook

# Summary and Outlook

- The restructured Group provides a solid basis for improved operational efficiency
- Continued solid results and stable development expected for OTC activities
  - Seasonal low activity in Q3 2010 – pick up expected during autumn
- Clearing outlook positive, but markets still volatile
  - Freight markets still low
  - FishPool activity expected to continue at high level
- Market Analysis expects steady positive development
- Imarex to actively pursue structural opportunities in order to create shareholder values

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# Appendix

# Comparable underlying Segment figures (excl. non-recurring items)

	Q2 10	Q1 10	Q4 09	Q3 09	Q2 09	Q1 09
<b>OTC</b>						
Operating revenue	<b>134,8</b>	137,7	125,3	129,4	133,4	150,9
EBITDA	<b>27,2</b>	24,6	23,3	18,8	21,3	24,7
Operating result	<b>21,9</b>	19,3	17,6	13,1	15,4	18,6
<b>Clearing</b>						
Operating revenue	<b>18,6</b>	13,4	20,8	14,9	17,9	19,0
EBITDA	<b>2,8</b>	-2,8	5,0	-0,5	-2,7	-2,1
Operating result	<b>0,5</b>	-5,5	2,0	-3,4	-5,7	-5,0
<b>Market Analysis</b>						
Operating revenue	<b>8,0</b>	7,9	7,6	7,8	6,2	5,7
EBITDA	<b>1,3</b>	1,0	0,2	3,1	2,3	0,8
Operating result	<b>1,2</b>	0,9	0,1	3,0	2,2	0,7
<b>Corporate/eliminations</b>						
Operating revenue	<b>-0,1</b>	-0,7	-3,4	-2,0	-0,6	-0,6
EBITDA	<b>-2,9</b>	-4,4	-8,1	-6,6	-4,9	-5,9
Operating result	<b>-3,0</b>	-4,4	-8,1	-6,7	-5,0	-6,0
<b>Imarex Group</b>						
Operating revenue	<b>161,3</b>	158,3	150,3	150,1	156,9	175,0
EBITDA	<b>28,3</b>	18,4	20,4	14,8	16,0	17,5
Operating result	<b>20,5</b>	10,21	11,6	6,0	7,0	8,3

# Profit & Loss statement

## 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>	298 413	567 592
<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>						
Minority 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

# Balance sheet

## 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>

# Cash flow statement

## 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>

# OTC

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>	<i>27 203</i>	<i>21 294</i>	<i>24 557</i>	<i>51 760</i>	<i>46 025</i>	<i>88 090</i>
Operating result	-24	15 420	15 827	15 803	34 056	64 833
<i>Underlying operating result</i>	<i>21 875</i>	<i>15 420</i>	<i>19 320</i>	<i>41 195</i>	<i>34 056</i>	<i>64 833</i>
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

# Clearing

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

# Market Analysis

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