

# **IMAREX ASA**

## **Interim results**

### **First Quarter - 2005**

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**Tom Even Mortensen**  
**Managing Director**

**Oslo, 26 May 2005**



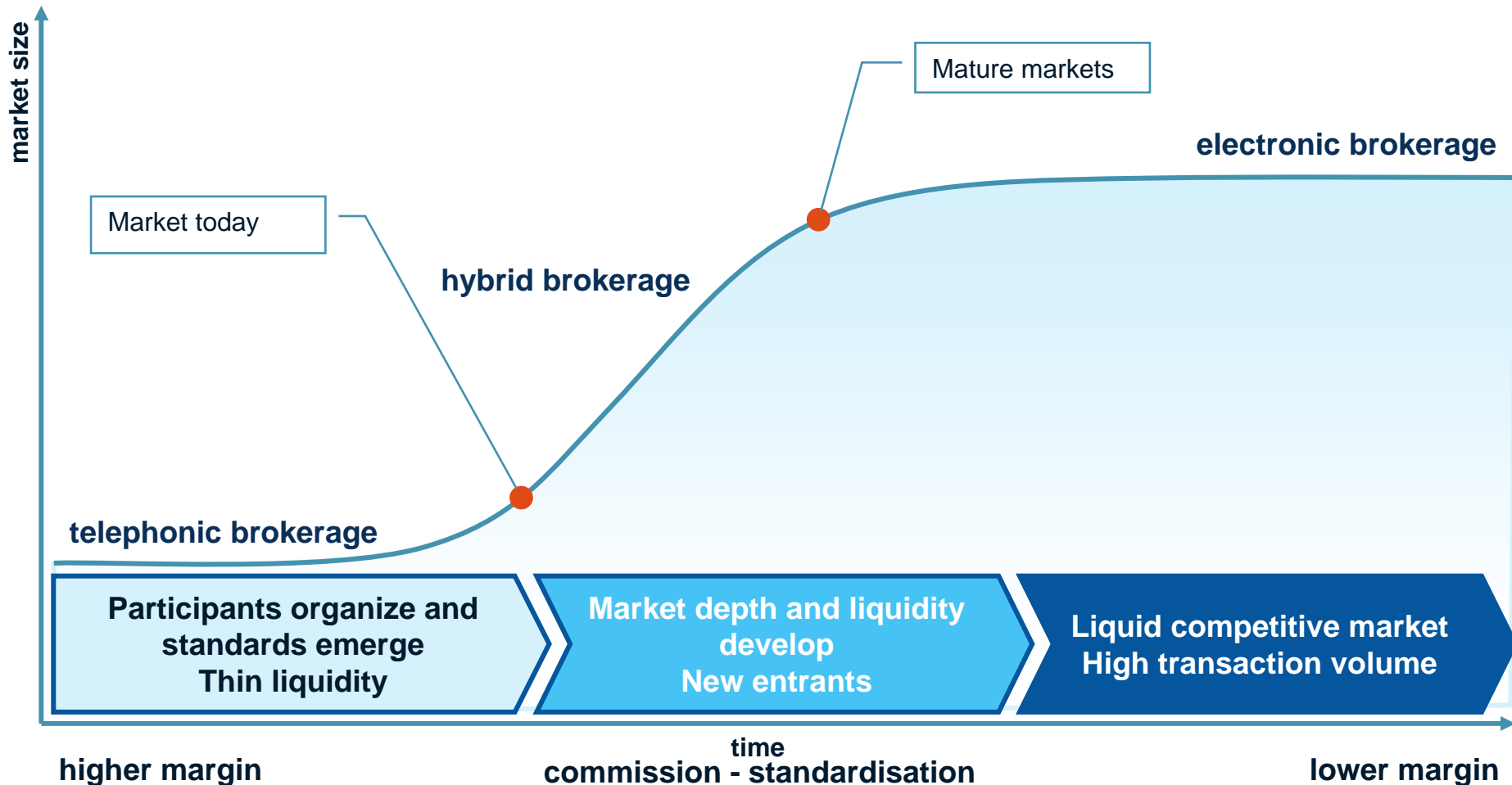
# Imarex – Shipping goes financial

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- Freight is being commoditised as a financial product
- Imarex is the only regulated marketplace for trading of freight derivatives
- Expanding market structure and strong potential for trading growth
- Imarex is centrally placed and has the capacity to lead new development



# The fastest growing shipping market in the world





# Highlights Imarex Q1 '05

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## Trading and Financial

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- Record number of trades - 1677 (up 226% on Q1 '04)
- Trade volumes 51 792 Lots (up 15% on Q1 '04)
- Revenues MNOK 29.675 (up 28.9% on Q1 '04)
- Earnings (EBT) MNOK 9.104 (MNOK 10.360 in Q1'04)  
(MNOK 6.681 IFRS)



# Highlights Imarex Q1 '05

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## — Strategic and Operational —

- *Acquired 17% of NOS ASA to further develop clearing for freight*
- *Listed on Oslo Stock Exchange with broad shareholder base*
- *Distribution to financial trading markets through cooperation with Carnegie*
- *Forward curve distribution to financial market through Bloomberg*
- *Expansion of organisation, infrastructure and product development*



# Financial summary Q1 '05

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## IFRS

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- IFRS – no effect on 2004 financial information

- Main effects on Q1 '05:

- Payroll costs

### **IFRS effect**

+ MNOK 2.423

due to estimated value of  
employee stock options

- Equity

+ MNOK 18.364

- Prepared according to management's current understanding of IFRS



# Financial summary Q1 '05

<b>Profit and loss account</b>	Q1 - 2005	Q1 - 2005		1Q - 2004	2004	2004
<i>(All figures in NOK 1000)</i>	NGAAP	IFRS	Change +/-	NGAAP/IFRS	NGAAP	IFRS
<b>Total Operating revenues</b>	29 675	29 675	-	23 019	124 935	124 935
Clearing costs	9 993	9 993	-	5 720	33 846	33 846
Payroll and related costs	7 298	9 721	(2 423)	5 014	25 034	25 034
Depreciation	488	488	-	447	1 309	1 309
Other operating expences	3 961	3 961	-	1 416	9 988	9 988
<b>Total operating expences</b>	<b>21 740</b>	<b>24 163</b>	<b>(2 423)</b>	<b>12 597</b>	<b>70 177</b>	<b>70 177</b>
<b>Earnings before interest and tax (EBIT)</b>	<b>7 935</b>	<b>5 512</b>	<b>2 423</b>	<b>10 422</b>	<b>54 758</b>	<b>54 758</b>
Net financial items	1 169	1 169	-	(62)	(2 705)	(2 705)
<b>Earnings before tax (EBT)</b>	<b>9 104</b>	<b>6 681</b>	<b>2 423</b>	<b>10 360</b>	<b>52 053</b>	<b>52 053</b>
Taxes	-	-	-	-	4 082	4 082
<b>Earnings after tax (EAT)</b>	<b>9 104</b>	<b>6 681</b>	<b>2 423</b>	<b>10 360</b>	<b>47 971</b>	<b>47 971</b>
Earnings per share	1,32	0,97	0,35	2,65	9,72	9,72
Earnings per share fully diluted	1,28	0,94	0,34	2,65	9,23	9,23

- Revenues in 1Q05 increased mainly due to higher trading volumes in the tanker segment.
- Increased its revenues from information sales compared to same period of the previous year.
- Underlying freight lower in 1Q05 than in 1Q04, and considerable lower than the peak in 4Q04.
- Clearing cost grows with the higher activity - reflecting increased percentage of cleared trades in line with strategy.
- Payroll and related expenses increased mainly through growth of the organisation in both Oslo and Singapore
- Increased investments and operations of trading and database systems to accommodate for higher activity.
- Increased its investments in new product development, distribution solutions and customer marketing activities.
- Acquisition of Laycan Solutions increased operating costs by MNOK 1 in Q105.



# Financial summary Q1 '05

<b>Balance sheet</b>	31/03/2005	31/03/2005	<i>Change +/-</i>	31/03/2004	31/12/2004	31/12/2004
All figures in NOK 1000	NGAAP	IFRS		NGAAP/IFRS	NGAAP	IFRS
Intangible assets	2 850	2 850	-	-	3 000	3 000
Negativ goodwill	(3 864)		(3 864)		(3 864)	
Tangible fixed assets	3 509	3 509	-	674	2 752	2 752
Financial fixed assets	32 242	32 242	-	-	348	348
<b>Total fixed assets</b>	<b>34 737</b>	<b>38 601</b>	<b>(3 864)</b>	<b>674</b>	<b>2 236</b>	<b>6 100</b>
Receivables	65 439	65 439	-	21 328	22 548	22 548
Liquid funds	88 039	88 039	-	1 242	121 793	121 793
<b>Total current assets</b>	<b>153 478</b>	<b>153 478</b>	<b>-</b>	<b>22 570</b>	<b>144 341</b>	<b>144 341</b>
<b>Total assets</b>	<b>188 215</b>	<b>192 079</b>	<b>(3 864)</b>	<b>23 244</b>	<b>146 577</b>	<b>150 441</b>
Paid-up equity	105 554	105 554	-	6 082	75 089	75 089
Retained earnings	42 075	60 439	(18 364)	10 360	32 971	51 835
<b>Total equity</b>	<b>147 629</b>	<b>165 993</b>	<b>(18 364)</b>	<b>16 442</b>	<b>108 060</b>	<b>126 924</b>
Company taxes	1 120	1 120	-		1 120	1 120
Current liabilities	39 466	24 966	14 500	6 802	37 397	22 397
<b>Total liabilities</b>	<b>40 586</b>	<b>26 086</b>	<b>14 500</b>	<b>6 802</b>	<b>38 517</b>	<b>23 517</b>
<b>Total equity and liabilities</b>	<b>188 215</b>	<b>192 079</b>	<b>(3 864)</b>	<b>23 244</b>	<b>146 577</b>	<b>150 441</b>



# Financial summary Q1 '05

<b>Cash flow statement</b>	Q1 - 2005		Change +/-	Q4 - 2004		Q3 - 2004	Q2 - 2004	Q1 - 2004
	NGAAP	IFRS		NGAAP	IFRS	NGAAP/IFRS	NGAAP/IFRS	NGAAP/IFRS
All figures in NOK 1.000								
Cash provided by operations	(31 159)	(31 159)	-	35 682	35 682	7 305	14 844	(2 093)
Net cash from investing activities	(33 062)	(33 062)	-	(4 771)	(4 771)	(1 453)	(63)	(120)
Net cash from financing activities	30 466	30 466	-	62 306	62 306	1 956	4 745	
Net change in cash	(33 755)	(33 755)	-	93 217	93 217	7 808	19 526	(2 213)
Cash at the beginning of period	121 793	121 793	-	28 576	28 576	20 768	1 242	3 455
Cash at the end of period	88 038	88 038	-	121 793	121 793	28 576	20 768	1 242

<b>Interim results per quarter</b>	Q1 - 2005		Change +/-	Q4 - 2004		Q3 - 2004	Q2 - 2004	Q1 - 2004
	NGAAP	IFRS		NGAAP	IFRS	NGAAP/IFRS	NGAAP/IFRS	NGAAP/IFRS
All figures in 1.000 NOK								
Operating revenues	29 675	29 675	-	37 447	37 447	37 978	26 491	23 019
Operating income	7 935	5 512	2 423	15 244	15 244	17 910	11 182	10 422
Income before taxes	9 104	6 681	2 423	12 686	12 686	17 903	11 104	10 360

Note: The Q1 2005 financial figures have been prepared based on the company management's interpretation of current International Financial Reporting Standards (IFRS). Financial figures have been restated accordingly. Due to possible changes in existing standards, new understanding and interpretation of existing standards, and potential new standards, financial figures may change during 2005. Neither the 2005 nor the 2004 restated figures have been audited, and must therefore be treated as preliminary figures.



# Trading Statistics Q1 '05

	Q1 '05	Q1 '04	Change	Q4 '04	2004
# lots	51 792	45 169	15%	68 235	247 307
# trades	1 677	514	226%	1 498	4 395
Nominal trade value (USD)	\$865 460 000	\$947 000 000	-9%	\$1 235 500 000	\$4 360 400 000
Avg. Nom value / trade (USD)	\$516 076	\$1 842 412	-72%	\$824 766	\$992 127

- # of transactions - 1677 (95% Tankers 5% Drybulk)
- # Lots - 51 792 (80% Tankers 20% Drybulk)
- Trade value - USD 936,1 mill (68% Tankers 32% Drybulk)

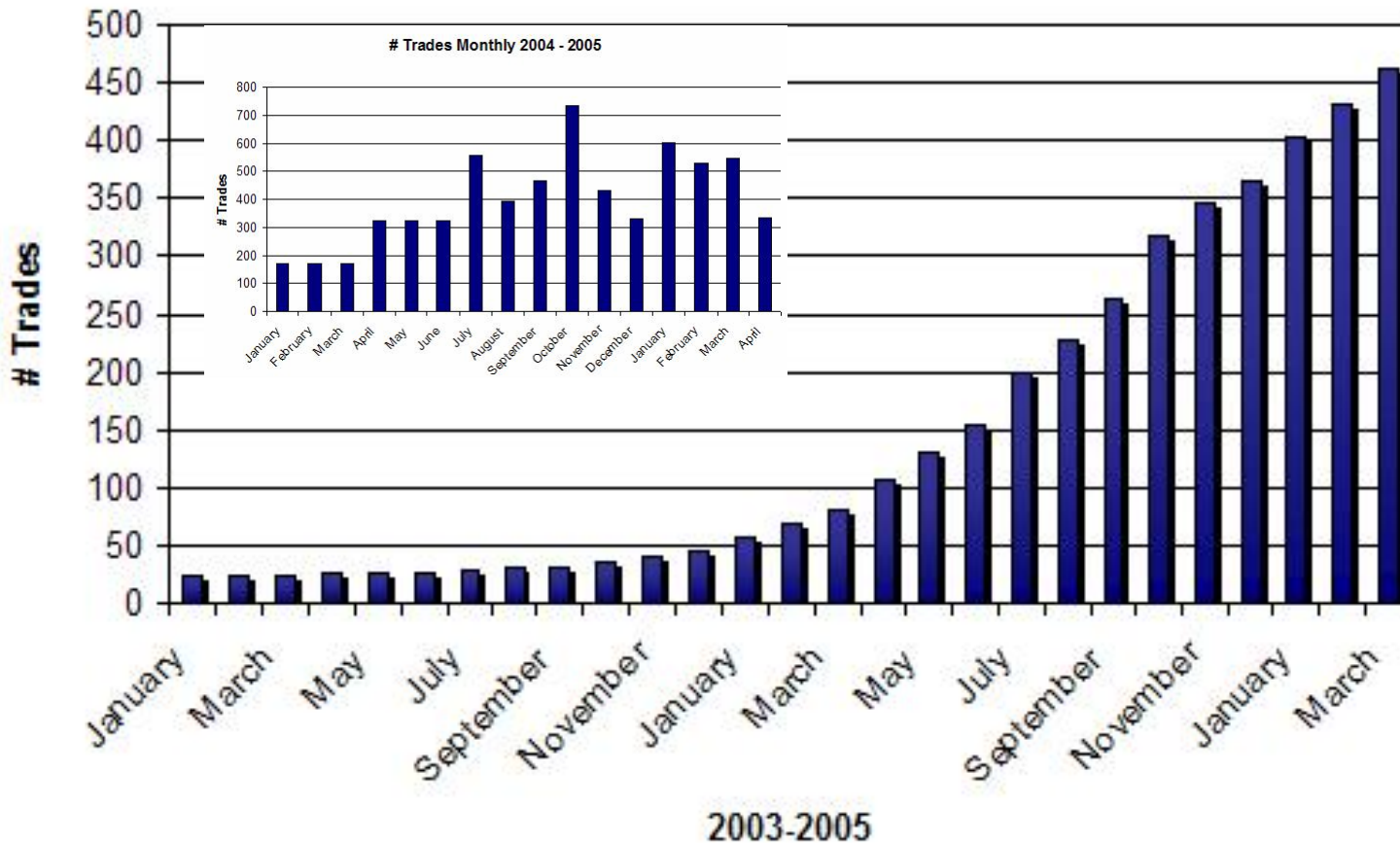
➤ **Continued strong trading for tankers**

➤ **Lower volumes in drybulk market**



# Growth in transactions

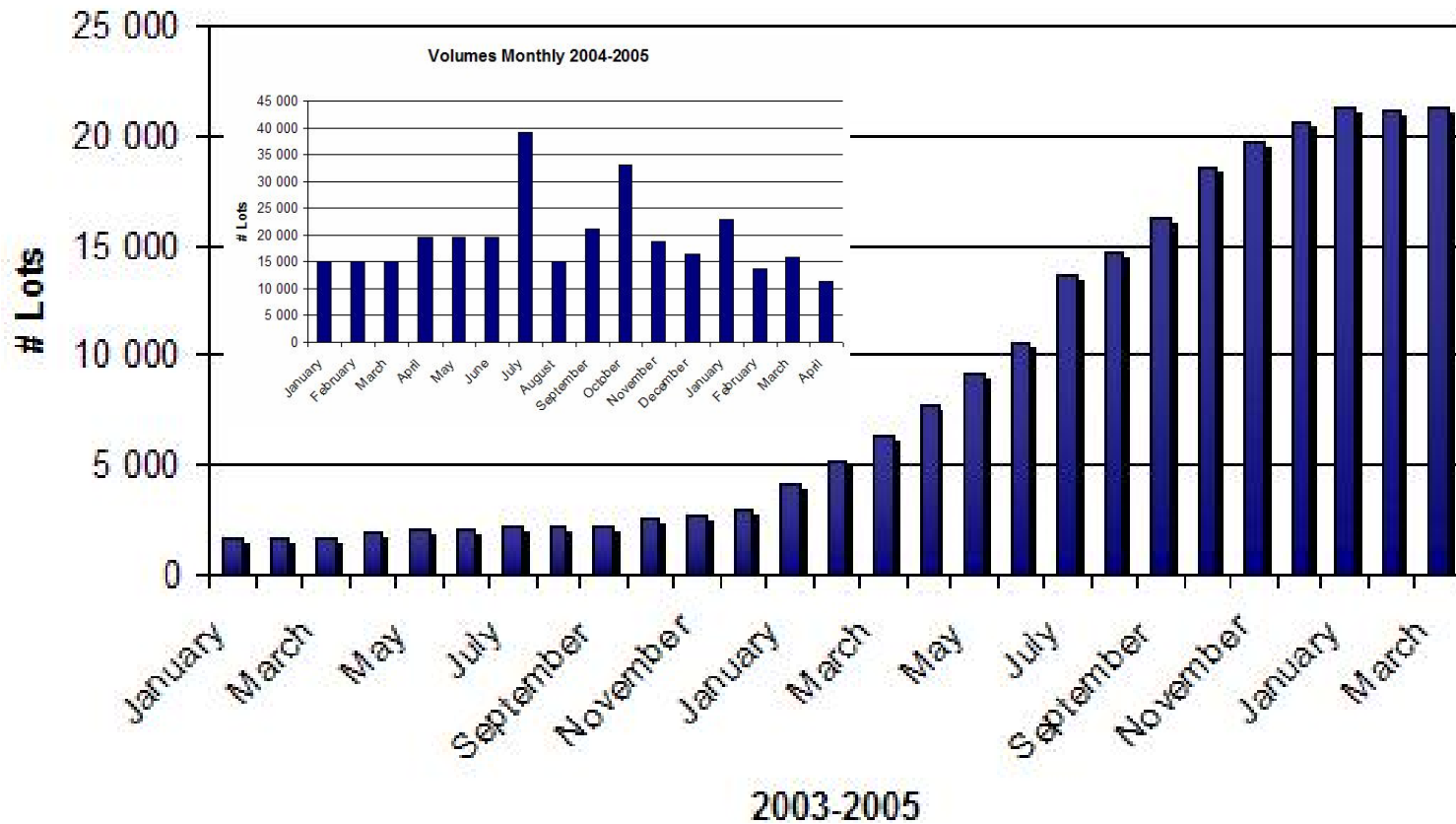
## # Trades - 12 month moving average





# Growth trend in volumes

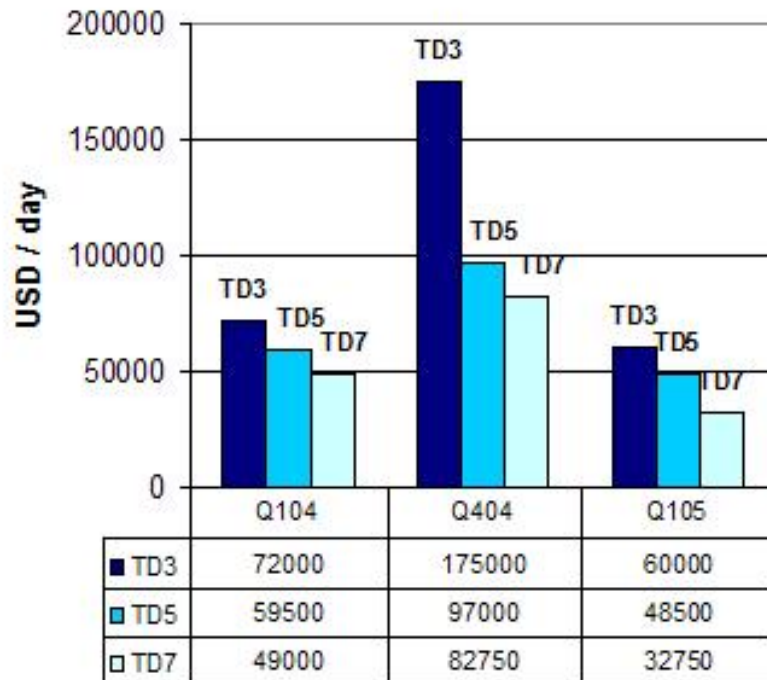
## # Lots - 12 month moving average





# Tanker market conditions in Q1'05

Tanker market AVG. SPOT rates



## Market

- Lower spot and forward rates
- Sharp drop in prices lowered trading liquidity
- Without direction for most of period

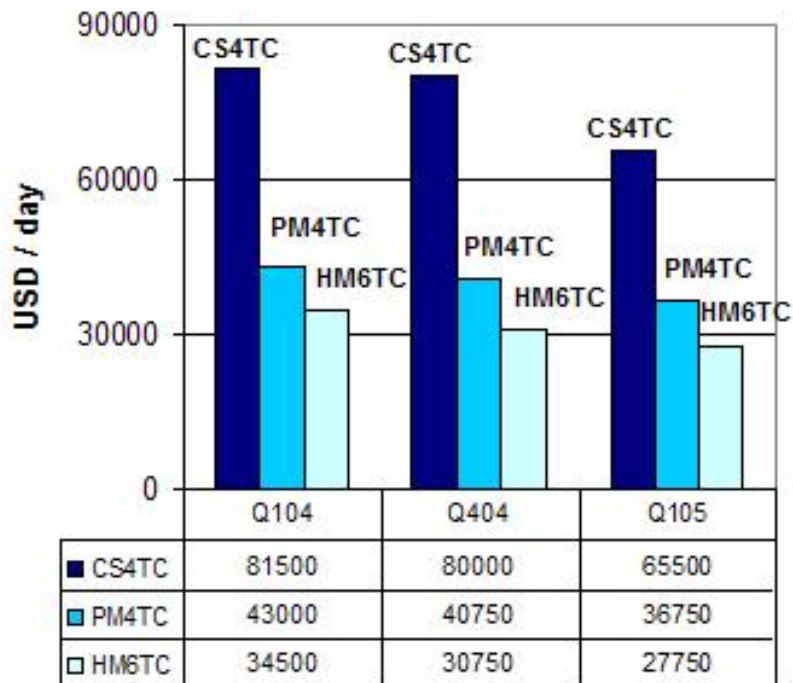
## Imarex

- Relatively strong trading in difficult conditions
- Kept market share in all tanker segments



# Drybulk market conditions in Q1'05

Drybulk market AVG. SPOT rates



## Market

- Weaker spot and forward market
- Reduced volatility
- Large decrease in trading volume

## Imarex

- Reduced volumes from OTC market
- Increased marketplace trading, but
- Overall large reduction in trading volumes



# Developing Imarex further

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**Launching new contracts and products**



Options on TD3 + new futures contracts  
Introduce new market segments

**Expanding trading and information services**



Expansion of broker desk  
Distribution through Bloomberg

**Introduce new distribution to financial market**



Trading through Carnegie  
Expand through clearing banks

**Invest in more efficient clearing services**



Increased capital and new services  
Faster execution of new clients

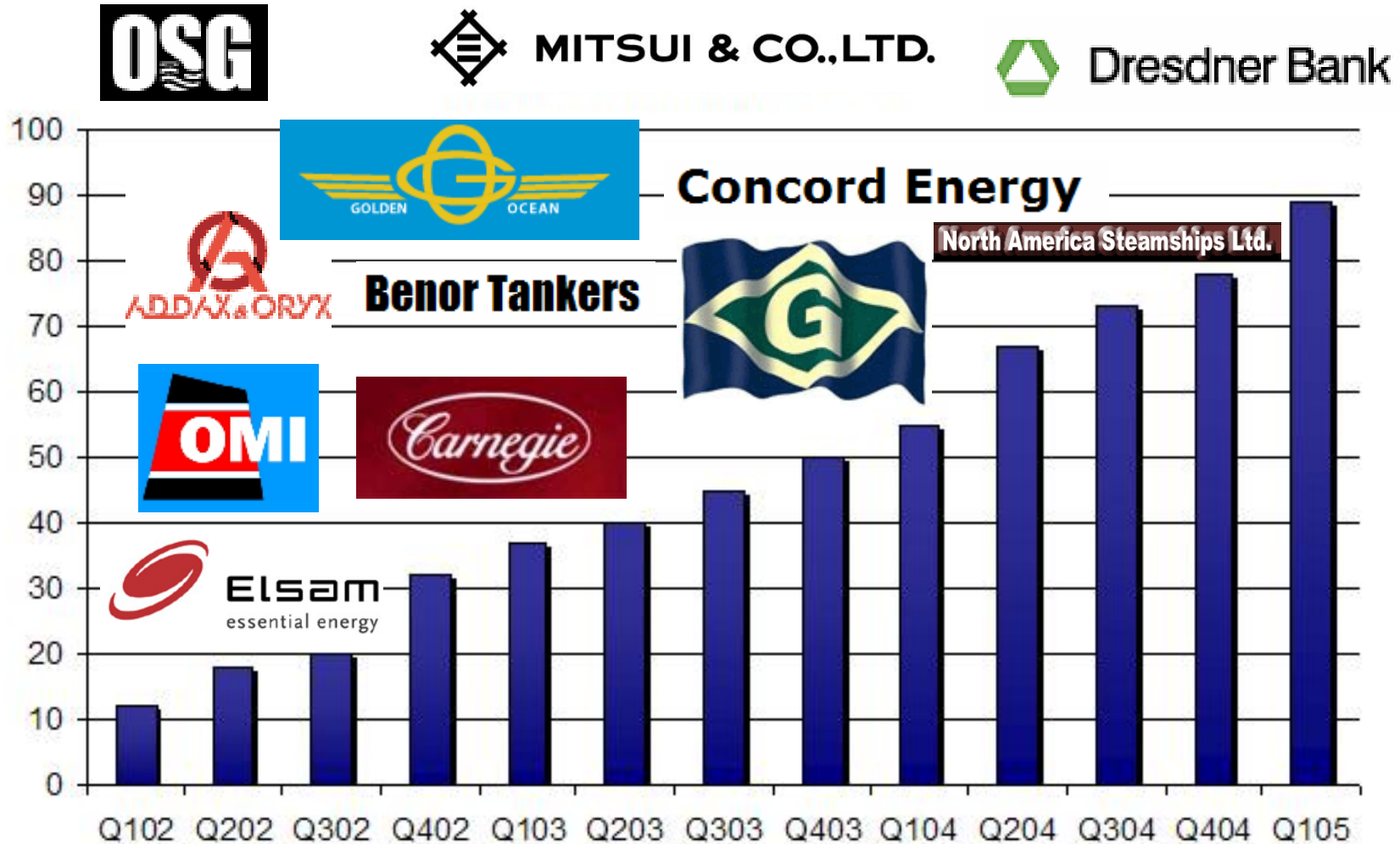
**Expanding customer base in shipping and trading**



Major shipping clients  
More financial traders



# Growth in membership 2005





# Expanding organisation and infrastructure

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- 25 people by end Q105
- 16 brokers in Singapore and Oslo
- Increased resources on customer acquisition and business development
- Improved infrastructure – trading systems and backoffice
- New distribution solutions for Imarex forward curves



# Outlook for 2005

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- Short pause in trading growth – but strong underlying prospects
- New competition to market – but Imarex well positioned to race
- Promising prospects to new options market being launched
- Expansion geographically
- Tankers promising outlook for liquidity for balance of 2005
- Dry cargo challenge to create financial market – but large potential
- Strongly positioned for structural changes – Imarex will lead



# Thank you!

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**Please complete our  
“Q1 2005 – Presentation Survey”  
.. *link below***



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# IMAREX

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INTERNATIONAL MARITIME EXCHANGE