



# FERD

Interim report for the first six months of 2009

*We will create enduring value  
and leave clear footprints*

NOK million

**FERD: INTERIM ACCOUNTS 1 JAN. - 30 JUN. 2009**

| <b>PROFIT AND LOSS ACCOUNT</b>                       | <b>1.1.-30.6.2009</b> | <b>1.1.-30.6.2008</b> | <b>CHANGE</b>  |
|--|-----------------------|-----------------------|----------------|
| OPERATING REVENUE                                    | 3 951.0               | 2 680.2               | 1 270.8        |
| COST OF GOODS SOLD                                   | 2 308.3               | 2 217.1               | 91.2           |
| OTHER OPERATING EXPENSES                             | 916.0                 | 870.1                 | 45.9           |
| OPERATING PROFIT/LOSS                                | 726.7                 | -407.1                | 1 133.7        |
| NET FINANCIAL ITEMS                                  | -100.0                | -55.7                 | -44.3          |
| <b>PROFIT/LOSS BEFORE TAX AND MINORITY INTERESTS</b> | <b>626.7</b>          | <b>-462.8</b>         | <b>1 089.4</b> |
| <b>BALANCE SHEET</b>                                 |                       |                       |                |
|  | <b>30.06.2009</b>     | <b>31.12.2008</b>     |                |
| FIXED ASSETS   | 3 576                 | 3 338                 |                |
| CURRENT ASSETS                                       | 11 394                | 10 993                |                |
| <b>TOTAL ASSETS</b>                                  | <b>14 970</b>         | <b>14 331</b>         |                |
| EQUITY *   | 8 108                 | 7 556                 |                |
| INTEREST-BEARING LIABILITIES                         | 3 890                 | 3 781                 |                |
| NON INTEREST-BEARING LIABILITIES                     | 2 972                 | 2 994                 |                |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  | <b>14 970</b>         | <b>14 331</b>         |                |

\* TAX HAS NOT BEEN CALCULATED FOR THE 2009 YEAR TO DATE PROFIT

NOK million

**FERD: PROFIT AND LOSS ACCOUNT BY BUSINESS AREA 1 JAN. - 30 JUN. 2009**

| <b>OPERATING REVENUE</b>     | <b>1.1.-30.6.2009</b> | <b>1.1.-30.6.2008</b> | <b>CHANGE</b>  |
|------------------------------|-----------------------|-----------------------|----------------|
| FERD CAPITAL                 | 42.8                  | 0.0                   | 42.8           |
| ELOPAK                       | 3 166.3               | 2 888.0               | 278.3          |
| FERD INVEST                  | 358.0                 | -194.7                | 552.7          |
| FERD EXTERNAL MANAGERS       | 95.6                  | -191.0                | 286.6          |
| FERD REAL ESTATE             | 217.0                 | 154.6                 | 62.4           |
| FERD VENTURE                 | -9.6                  | -12.6                 | 3.0            |
| OTHER ACTIVITIES             | 80.9                  | 35.9                  | 45.0           |
| <b>CONSOLIDATED</b>          | <b>3 951.0</b>        | <b>2 680.2</b>        | <b>1 270.8</b> |
| <b>OPERATING PROFIT/LOSS</b> |                       |                       |                |
| FERD CAPITAL                 | 31.9                  | -9.9                  | 41.8           |
| ELOPAK                       | 192.6                 | 108.9                 | 83.8           |
| FERD INVEST                  | 353.7                 | -197.6                | 551.3          |
| FERD EXTERNAL MANAGERS       | 51.6                  | -234.3                | 285.9          |
| FERD REAL ESTATE             | 187.8                 | 63.3                  | 124.5          |
| FERD VENTURE                 | -15.0                 | -16.7                 | 1.7            |
| OTHER ACTIVITIES             | -75.9                 | -120.7                | 44.8           |
| <b>CONSOLIDATED</b>          | <b>726.7</b>          | <b>-407.1</b>         | <b>1 133.8</b> |

# Commentary on the interim accounts for the first six months of 2009

Ferd reports consolidated operating revenue of NOK 3,951 million for the first six months of 2009 as compared to NOK 2,680 million for the same period last year. The first six months produced an operating profit for the group of NOK 727 million, which represents an improvement of NOK 1,134 million from the same period last year. The business areas that reported a significant improvement in operating results for the first half of 2009 relative to the same period in 2008 were Ferd Invest, Ferd External Managers and Ferd Real Estate. These business areas produced, in total, an improvement in operating profit of NOK 962 million relative to the same period last year.

In absolute terms, Ferd Invest reported a strong return for the first six months of 2009. The investment return for the first six months of 2009 was 19.0%. Relative to its benchmark index, which showed an increase of 22.0%, Ferd Invest underperformed by 3.1 percentage points.

Ferd External Managers holds two hedge fund portfolios. The overall return on the hedge fund portfolios for the first six months of 2009 was just under 5% in USD terms. In aggregate, the hedge fund portfolios outperformed the benchmark index by 1.2 percentage points in the first six months in USD terms. The international equity fund portfolio held by Ferd External Managers showed a negative return of 1.3% for the first six months of 2009. This return is 0.9 percentage points better than the benchmark index return for this portfolio over the same period. The results reported for the first six months of 2009 by the companies in Herkules Private Equity Funds I & II resulted in further write-downs of these investments. Ferd's accounts for the first six months of 2009 include a write-down of NOK 254 million in respect of Herkules Private Equity Funds I & II. Herkules Private Equity Fund I distributed the proceeds of a reduction in its shareholding in Pronova from 58% to 50% in the first six months of 2009. The distribution is recognized as operating revenue in Ferd's accounts.

Ferd Venture reported an operating loss for the first six months of 2009 of NOK 15 million as compared to an operating loss of NOK 17 million for the first six months of 2008. Ferd Venture wrote down the value of two companies in its portfolio by NOK 7 million in total in the first six months of 2009. It also wrote down the value of one of its fund investments by just under NOK 3 million. Certain of the investments in other companies in the Ferd Venture portfolio also incurred accounting write-downs as the result of exchange rate movements.

Ferd Real Estate reported operating profit of NOK 188 million for the first six months of 2009. This represents an improvement of NOK 125 million from the same period of 2008. The main reason for the improved profit is that Ferd Real Estate completed the sale of 50% of the first four development phases of the Tiedemanns site to Skanska Bolig in April 2009.

Elopak reported operating revenue of NOK 3,166 million for the first six months of 2009, which is NOK 278 million higher than the same period last year. Despite the current economic situation, Elopak managed to increase its sales volumes in Europe relative to the first six months of 2008. Lower raw material prices and a favourable Norwegian krone/euro exchange rate also helped the company to achieve a sound improvement in profitability. Elopak reported an operating profit of NOK 193 million for the first six months of 2009, which was NOK 84 million higher than in the same period of 2008.

Ferd Capital reported an increase in the value of shares in Kongsberg Automotive of 140% in the first six months of 2009, equivalent to operating revenue of NOK 43 million.

The group's balance sheet was in sound condition at the end of the first six months, with a book equity ratio of 54%.

## FERD CAPITAL

Ferd Capital's portfolio at 30 June 2009 comprised the companies Elopak and Swix, as well as interests in Aibel (49%) and Kongsberg Automotive (17%). Ferd Capital did not carry out any new investments in the first half of 2009.

## ELOPAK

Elopak reported operating revenue of NOK 3,166 million for the first six months of 2009 as compared to NOK 2,888 million for the same period last year. Volume growth in Europe was just over 1%. The largest percentage increase in volumes in the first six months of 2009 was seen in the North European market. The general economic situation in Europe was challenging in the first half of the year. Elopak operates in a sector that is relatively little affected by the economic cycle. However, current market conditions have proved challenging for Elopak's customers and business partners. Despite the current economic situation, Elopak managed to increase its market share and so achieve higher volumes in the European market.

Polyethylene prices were markedly lower in the first six months of 2009 than in the same period of 2008. Operating profit for the first six months of 2009 was NOK 84 million higher than for the same period last year.

## FERD INVEST

Ferd Invest reported an operating profit for the first six months of 2009 of NOK 354 million as compared to a loss of NOK 198 million for the same period last year. The value of Ferd Invest's investment portfolio was NOK 2,250 million at the end of the first six months as compared to NOK 1,889 million at the start of the year.

The investment return for the first six months was 19.0%. Compared to the return of 22.0% on Ferd Invest's benchmark index, this represents underperformance of 3.1%. The portfolios of shares in large Norwegian and Swedish companies respectively underperformed their benchmark indices to some extent, while the portfolio of shares in small and medium-sized Nordic companies produced a better relative performance.

Among the major contributors to the return for the period were holdings of Eltek, Tandberg, Acergy, Det Norske Oljeselskap and PGS.

Ferd Invest manages three focused portfolios. The 10 largest holdings in Ferd Invest's Norwegian portfolio accounted for 93% of the portfolio total, the 10 largest holdings in the Swedish portfolio accounted for 83% of the portfolio, and the 10 largest holdings in the SMB portfolio accounted for 91% of the portfolio.

## FERD EXTERNAL MANAGERS

The business area is responsible for two hedge fund portfolios, the group's international equity fund investments, a portfolio that invests principally in subordinate debt and hedge funds in the secondary market and a portfolio of holdings in private equity funds, in addition to the group's investments in Herkules Private Equity Funds I & II & III.

Ferd External Managers holds two hedge fund portfolios: a conservative hedge fund portfolio and hedge fund portfolio with a more aggressive profile. The aggressive portfolio is intended to generate a higher return over time than the conservative portfolio. The more aggressive hedge fund portfolio produced a return of 7.5% in USD terms for the first six months. The return on the conservative hedge fund portfolio was 1.7% in USD terms for the first six months as compared to a return of 5.5% for its benchmark index. The first six months saw a recovery in share prices in stock markets around the world. The conservative hedge fund portfolio is expected to produce a weaker performance relative to its benchmark during periods of rising share prices. The aggregate market value of the hedge fund portfolios at 30 June 2009 was NOK 1,466 million.

Ferd External Managers' international equity fund portfolio produced a return of -1.3% in NOK terms in the first six months, while the return in NOK terms on the MSCI World benchmark index was -2.2%. Earlier in 2009, the international equity fund portfolio held investments in a number of index tracking funds. At the end of the first six months, the portfolio was invested in just one index fund that tracks the global index. The market value of the international equity fund portfolio at 30 June 2009 was NOK 767 million.

Herkules Private Equity Funds I & II did not make any new acquisition in the first six months of 2009. Future investments by these funds will be in the form of follow-up investments in existing portfolio companies.

At the end of the first half of 2009, Herkules Private Equity Funds I & II held 13 investments. By far the largest investment in terms of value was Pronova BioPharma ASA, a company that had a total market capitalisation of NOK 5,144 million at 30 June 2009. Herkules Private Equity Fund I owned 50.01% of this company at 30 June 2009. During the first six months of 2009, Herkules Private Equity Fund I reduced its investment in Pronova BioPharma from 58.0% to 50.01%. The distribution received by Ferd from the proceeds of the sale of shares in Pronova BioPharma ASA is recorded as operating revenue in Ferd's accounts. The share price of Pronova BioPharma ASA fell from NOK 23.10 to NOK 17.10 over the course of the first six months of 2009. The fall in the value of the investment in Pronova BioPharma ASA is not recognized in Ferd's accounts for the first six months of 2009. The fund's investment in Pronova BioPharma ASA is carried in the accounts at the higher of historic cost price and current market value.

## FERD REAL ESTATE

Ferd Real Estate reported an operating profit of NOK 188 million for the first six months of 2009 as compared to NOK 63 million for the same period last year.

Ferd Real Estate gained final approval of the outline planning permission for the Tiedemanns site in March 2009. The outline plan applies to the whole project. The improvement in operating profit for the period was a result of the completion of the sale of 50% of the first four development phases to Skanska Bolig.

Ferd Real Estate did not make any new investments in the first six months of 2009, but it is currently evaluating a number of potential projects.

## FERD VENTURE

Ferd Venture reported an operating loss of NOK 15 million for the first six months, as compared to a loss of NOK 17 million in the same period last year. Ferd Venture has not realised any direct investments to date in 2009. Ferd Venture's portfolio companies experienced challenging market conditions in the first six months of 2009. In Ferd Venture's evaluation, its portfolio companies came through the financial crisis relatively well.

One of the consequences of the financial crisis is that the market for the sale of venture capital companies was extremely difficult in the first half of 2009. However, Ferd Venture currently sees some bright spots in this market, but does not expect the market as a whole to return to normal conditions before the second half of 2010.

Ferd Venture invested NOK 60 million in the first six months of 2009. Investment in the period were carried out in existing portfolio companies and funds.

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