

ABG SUNDAL COLLIER

Press Release

ABG Sundal Collier Reports 2002 Preliminary Results down 7.7% on a 15.8% Drop in Revenues – ROE Rises to 14.8%

Oslo, 17 February 2003 - Despite an extremely difficult operating environment, ABG Sundal Collier ASA (OSE: ASC) has reported a drop in net profits for 2002 of 7.7% on a 15.8 % decline in revenues. Pre-tax pre-bonus profit margins declined for the full year but remained at a comparatively high level given current business conditions. Return on equity finished 2002 at 14.8%, up from the 13.9% of 2001. The ratio of total costs to income dropped for the year to 86.2% from 87.1% in the prior year, primarily reflecting reduced compensation costs. Brokerage Services revenues declined by 8.0% for the year while corporate finance revenues dropped by 32.8%. These results represent a significant out performance relative to our industry. 2002 is the second successive year in which ABGSC has gained market share across the Nordic region. Operational and financial highlights are shown below:

Full Year Highlights

- Expenses remained under tight control as the firm made careful investments for the future while trimming in a number of areas to fund these investments. As a result, pre-bonus expenses for the full year declined by 2.6% while expenses including bonuses declined by 16.7%.
- ABGSC expanded its research sales efforts in all major locations in 2002 adding key new people and enhancing the service levels for clients.
- A new sales trading team was established in Sweden to focus on the client trading desks of our major Swedish counterparts.
- Specialist small/mid cap research products made their appearance this year, adding significantly to ABGSC's coverage in the region with a new, idea oriented approach to such investment ideas.
- Regional and international client surveys again showed ABGSC research improved its standing over the year.
- Corporate Finance revenues dropped 32.8% for 2002, a trend slightly better than that for this business sector globally. ABGSC enjoys a solid book of mandates but market conditions will need to improve before some of these are realised.
- Brokerage Services results benefited from higher market share in all four Nordic stock markets. This partially offset the sharp decline in transaction volumes and share prices last year and resulted in revenues down only 8.0% compared to the 39%¹ drop in Nordic markets overall.

¹ FTSE Nordic Index – local currencies

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2002 was a difficult year by any standard. Nordic markets dropped for the third year running, the economic backdrop remained dreary and client activity understandably low. In these circumstances, ABGSC did relatively well:

Financial Summary

Operating data and key ratios

	Pro forma		Year	Pro forma	
	4. quarter	4. quarter		Year	Year
	2002	2001	2002	2001	2000
Average number of shares (000's) (1)	259,509	254,403	253,552	259,144	260,775
Earnings per share (in NOK) (2)	0.07	0.10	0.23	0.25	0.48
Pre-tax income (in NOK 000's)	27,069	27,990	91,898	92,790	236,608
Book value per share (in NOK) (3)	1.68	1.44	1.68	1.44	1.73
Operating cost / Income ratio (4)	72.3 %	50.6 %	65.6 %	56.7 %	39.7 %
Total cost / Income ratio (5)	88.4 %	86.5 %	86.2 %	87.1 %	70.4 %
Compensation / Income ratio (6)	44.6 %	57.5 %	49.1 %	52.8 %	49.1 %
Pre-tax pre bonus profit margin (7)	38.2 %	53.1 %	39.9 %	46.8 %	59.9 %
Return on equity (annualised) (8)	16.2%	19.7%	14.8%	13.9%	31.9 %
Number of employees at period end	165	158	165	158	171

(1) Adjusted for treasury shares

(2) Net result for the period divided by the average number of shares

(3) Book equity at end of period divided by the total number of shares (adjusted for treasury shares)

(4) Operating expenses as a percentage of operating revenues

(5) Total expenses including bonus expenses and profit to partners as a percentage of operating revenues

(6) Personnel expenses plus bonus expense and profit to partners as a percentage of operating revenues

(7) Earnings before tax adjusted for bonus expense and profit to partners as a percentage of operating revenues

(8) Net result for the period as a percentage of average equity for the period

Business Segment Review

Investment Research

Research had a year of ongoing change against a general background of client success. ABGSC have reason to be pleased with the initial success of our new small cap product and must now build on its launch impact to make this an indispensable resource to our clients and thus, a significant revenue generator over time.

Research surveys confirmed a rising trend in the way clients regard ABGSC research and the firm has improved the efficiency of research distribution, thus reducing costs. At a time when high quality independent research is recognised as more valuable than ever but when conflicts of interest have undermined confidence in this independence, ABGSC research stands out in the market. Client voting shows that we still have significant room to improve our analysts standing and thus, increase revenues from both new and existing clients.

Changes in coverage and the addition of new staff has allowed us to expand the number of Nordic companies covered in 2002 to over 210 as well as to add a portfolio strategy product primarily aimed at the Nordic audience.

Brokerage Services

Overall revenue generation was relatively good during 2002 in a difficult market. Individual offices had a varied but relatively positive performance for the year and market share for the group rose in each of the region's four markets. Of particular note were the major improvements in Norway where we have ended the year in the number four position (#2 in December) and in Sweden, the region's largest market. The graphs below show both market developments in each country of the region along with ABGSC's relative position. These underscore the sharp setbacks investors have endured during the course of 2002.

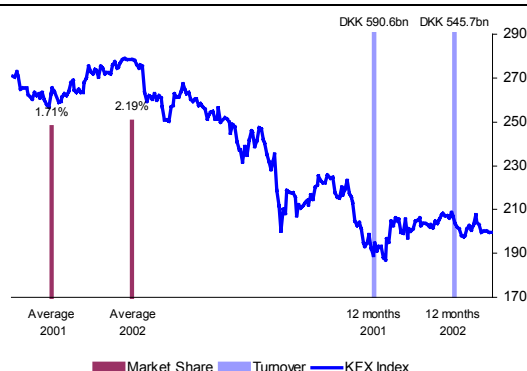
Oslo Stock Exchange Data



Stockholm Stock Exchange Data



Copenhagen Stock Exchange Data



Helsinki Stock Exchange Data



Source: Official Stock Exchange Data

Comments about our year over year results, especially in the current environment, should not be our primary focus but rather how the firm has performed versus potential. We are not yet satisfied with our client market penetration in Sweden, the UK or continental Europe relative to our potential while Norway is a more mature business and the US has achieved a remarkable level of success against very strong competition. Brokerage Services activities represented 74% of revenues for the year compared to just under 68% in 2001.

Corporate Finance

2002 saw a sharp setback from 2001 in corporate activity, a business area still dominated by Norway. There has been unremittingly hard work in generating business from a much smaller pool of available deals in 2002 but a number of postponements in the completion of mandates because of market conditions represented disappointments. We are not happy with the absolute level of results in 2002 but the firm's relative position has strengthened. That strength should enhance our position in the future. Corporate finance accounted for approximately 27% of total revenues for 2002 compared with about 33% in 2001.

The Stockholm corporate finance group is now establishing a growing reputation for high quality advisory work for mid-sized companies and in the private equity market. These areas in particular are in need of corporate finance advice and our team is well positioned in terms of its industry expertise and re-structuring knowledge. Sweden generated good initial corporate finance revenues last year and should move decisively into profit for 2003, despite the harsh environment.

Expense Review

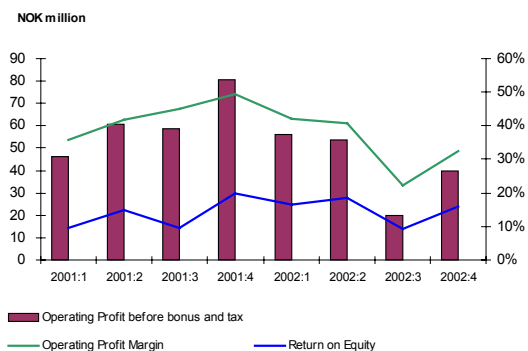
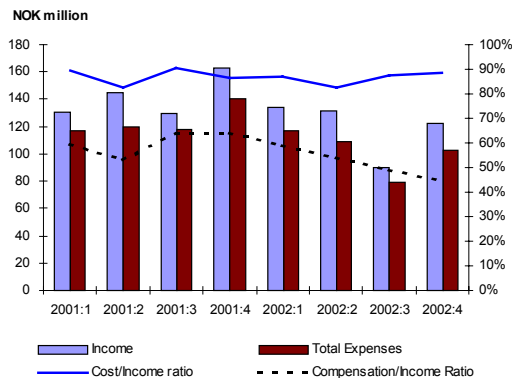
Total operating expenses dropped by 2.6% in 2002 driven by an 11.2% decline in salary and related costs. Total compensation costs, including bonus payments, dropped by over 16%. These decreases in total compensation reflect ABGSC's commitment to variable compensation tied to the profits of the firm.

In general we maintained a tight control over costs despite increases in office expense and related depreciation charges. ABGSC has an ongoing expense control programme that has targeted further reductions in 2003. These savings have been used to finance key improvements including revenue producing additions to staff. Headcount rose slightly for the full year as net new capacity was put in place for research sales and sales trading.

Pre-tax pre-bonus profit margins declined to 39.9% for the year, a level that is satisfactory in the current circumstances.

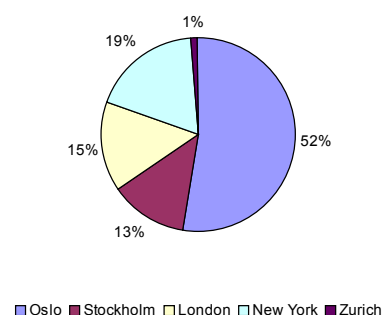
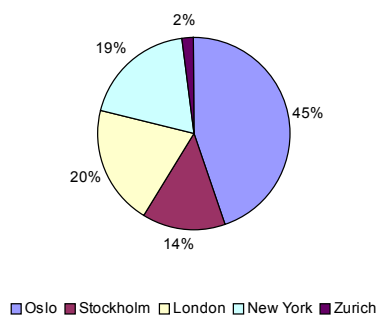
Cost income analysis

Profitability and RoE



Revenues by location – 2002

Revenues by location – 2001



Comments from the CEO

The negative impact of corporate earnings shortfalls, accounting scandals, disappointing economic growth, rising unemployment, the continued unwinding of the technology bubble and more recently, the prospect of a war in the middle east have all contributed to the ongoing decline of markets around the world. One needs to look back a quarter century to find a roughly comparable period in which equity markets have dropped in three successive years and even then, not to the same extent. Against this global backdrop, the markets of the Nordic region did not fair especially well. The 39% decline in our markets included relatively better results for Denmark and Norway (down 27% and 29%, respectively) and more severe declines in Sweden and Finland. The fourth quarter gave some respite from the gloom but ABGSC forecasts suggest that the “double dip” will not be taken kindly by investors already worried by geo-political crises.

2002 was a year that will be remembered for the number of corporate governance upsets that emerged, especially from the US. Accounting irregularities combined with questionable practices by some investment banking firms created a disastrous impact on investor confidence in company managements and the investment recommendations they received from supposedly independent advisors. The failure of regulators to police corporate behaviour effectively added to investor distress and the impact on markets, though hard to quantify, must have been substantial.

As a firm built on the integrity of its research, ABGSC has viewed these developments with concern. There can be no doubt that questionable practice, whether in industry or among investment banking firms must not be tolerated and we expect regulators in the Nordic region to be scrutinising carefully, the changes in rules now emerging from the US and elsewhere to control such excesses in the future. We are pleased to lead by example in this environment, maintaining the strictest controls on our business relationships and ensuring the highest standards of behaviour by our people. We will never live in a world without potential conflicts but we certainly must be vigilant in managing them.

ABGSC has produced credible results in the current environment. That does not mean that we are satisfied nor should it suggest that we do not see the opportunity to significantly develop our business during 2003. The competitive environment is changing with economic pressures on investment institutions making outstanding external investment research more valuable. Corporate transactions are reduced in uncertain market conditions but corporate advice is even more important when creative solutions are needed. With our outstanding team of investment professionals we remain committed to the further development of our business during 2003.

An important indication of our conviction about the future was the decision of the firm to make a special distribution of NOK 0.50 per share in the form of a reduction of capital to shareholders for 2002. This distribution reflects both the excess capital we have carried in the past and more important, our ability to generate high rates of return on our capital in the future.

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ABG Sundal Collier Profit & Loss

Amount in NOK 1,000	4. quarter	Pro forma 4. quarter	% change	Year	Pro forma Year	% change	Pro forma Year
	2002	2001		2002	2001		2000
Operating revenues							
Stockbroking services	91,833	98,958	-7.2 %	353,923	384,570	-8.0 %	509,550
Corporate Finance	31,550	69,146	-54.4 %	127,130	189,049	-32.8 %	256,751
Other revenues	(1,044)	(5,538)	-81.1 %	(3,312)	(5,944)	-44.3 %	40,888
Total operating revenues	122,339	162,566	-24.7 %	477,741	567,675	-15.8 %	807,189
Operating expenses							
Salaries and NI expenses	(34,850)	(45,689)	-23.7 %	(149,897)	(168,869)	-11.2 %	(149,490)
Other operating expenses	(44,674)	(34,128)	30.9 %	(141,577)	(135,684)	4.3 %	(152,801)
Depreciation	(8,963)	(2,432)	268.5 %	(21,928)	(17,055)	28.6 %	(18,433)
Total operating expenses	(88,487)	(82,249)	7.6 %	(313,402)	(321,608)	-2.6 %	(320,724)
EBIT Pre-bonus and profit to partners	33,852	80,317	-57.9 %	164,339	246,067	-33.2 %	486,465
Bonus and profit to partners	(19,684)	(47,852)	-58.9 %	(84,517)	(130,749)	-35.4 %	(247,200)
Retention bonus	-	(10,550)	-100.0 %	(14,067)	(42,200)	-66.7 %	-
EBIT Post-bonus and profit to partners	14,168	21,915	-35.4 %	65,755	73,118	-10.1 %	239,265
Net financial result	12,901	6,075	112.4 %	26,143	19,672	32.9 %	(2,657)
Pre-tax income	27,069	27,990	-3.3 %	91,898	92,790	-1.0 %	236,608
Taxes	(9,707)	(3,674)	164.2 %	(32,397)	(28,298)	14.5 %	(112,604)
Net result for the period	17,362	24,316	-28.6 %	59,501	64,492	-7.7 %	124,004

Balance Sheet

Amount in NOK 1,000	Actual 31. December 2002	Actual 31. December 2001	Pro forma 31. December 2000
	Total intangible assets	55,608	33,527
Plant and equipment	29,204	33,966	28,257
Financial non-current assets	30,012	20,652	2,559
Total non-current assets	114,824	88,145	55,658
Receivables	944,144	999,626	1,293,113
Investments	17,205	2,791	27,387
Cash and bank deposits	269,336	460,679	610,134
Total current assets	1,230,685	1,463,096	1,930,634
Total assets	1,345,509	1,551,241	1,986,292
Paid-in capital	382,266	380,196	380,196
Retained earnings	56,387	(15,672)	70,488
Total equity	438,653	364,524	450,684
Long-term liabilities	11,658	7,615	1,819
Current liabilities	895,198	1,179,102	1,533,789
Total liabilities	906,856	1,186,717	1,535,608
Total equity and liabilities	1,345,509	1,551,241	1,986,292