Offer by OM AB (publ) to the shareholders and warrant holders of HEX Plc listing particulars and share issue prospectus

3 July 2003

This document (the "**Prospectus**") has been prepared by OM AB (publ) in connection with the Offer (as defined below) to be used to enable the shareholders and warrant holders of HEX to consider the Offer and to be used as listing particulars required in connection with the listing of the shares of OM (to be renamed OM HEX following the completion of the Offer) on Helsinki Exchanges and the listing of the new OM shares on Stockholmsbörsen. The Prospectus is also a Swedish share issue prospectus prepared pursuant to Chapter 4 of the Swedish Companies Act *(aktiebolagslagen (1975:1385)).* The information contained in this Prospectus has been provided by OM, HEX or other sources identified herein.

In this Prospectus, unless otherwise stated, references to "**OM HEX**" or the "**Company**" are to OM HEX AB (publ) (reg. no 556243-8001) and its subsidiaries (group) or to OM HEX AB (publ) (parent company) as the context requires, references to the "**Group**" are to OM HEX AB (publ) and its subsidiaries, references to "**OM**" are to OM AB (publ) (reg. no 556243-8001) and its subsidiaries (group) or to OM AB (publ) (parent company) as the context requires and references to "**HEX**" are to HEX Plc (business identity code 1110552-9) and its subsidiaries (group) or to HEX Plc (parent company) as the context requires. As the context requires, references to OM are to OM HEX (and vice versa, as the case may be).

OM is responsible for preparing this Prospectus and for the accuracy and completeness of the information contained therein except for the information on HEX on pages 99 – 135 and 212 – 242 which HEX has provided on a stand-alone basis for the Prospectus in accordance with Section 4.4.2 of the Combination Agreement signed on 20 May 2003. HEX is only responsible for the accuracy and completeness of the information contained on the said pages under Finnish law. OM is responsible for any interpretations or conclusions drawn on the information provided by HEX elsewhere in this Prospectus.

Taking into account the above division of responsibility, to the best of the knowledge and the belief of the members of the Board of Directors of OM and HEX, respectively, the information contained in this Prospectus corresponds to facts as of the date hereof and does not omit any facts that are likely to have a material impact on this matter.

In Stockholm 3 July 2003
The Board of Directors of OM AB (publ)

In Helsinki 3 July 2003
The Board of Directors of HEX Plc

No person is authorized to provide any information or to make any representations other than those contained in the Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized or approved by OM or HEX. The publishing of this Prospectus does not mean that the information contained herein would be accurate in the future and neither that there would not have occurred changes in the business operations of OM and HEX after the date of this Prospectus. However, the provision of Chapter 2 Section 3 of the Finnish Securities Market Act (26.5.1989/495, as amended, the "**SMA**") shall be applied in respect of supplementing the Prospectus.

The Prospectus has been prepared in accordance with the SMA, the Decision of the Ministry of Finance on Listing Particulars (19.6.2002/539), applicable statements of the Finnish Financial Supervision Authority (the "**FFSA**") and the exemption order granted by the FFSA. The FFSA has approved the Prospectus but assumes no responsibility for the correctness of the information contained therein. The record number of the approval of the FFSA is 70/271/2003 and the record number of the exemption order is 71/271/2003.

The Prospectus has been prepared in English and translated into Finnish. The FFSA has approved the Finnish language version of the Prospectus and, by virtue of the rules on mutual recognition of listing particulars, Stockholmsbörsen is expected to recognize the English language version of the Prospectus in accordance with the regulations of Chapter 5, Section 5b of the Swedish Securities Exchange and Clearing Operations Act *(lag (1992:543) om börs- och clearingverksamhet).* Such recognition does not constitute a guarantee by Stockholmsbörsen that the facts stated in this Prospectus are accurate or complete. Stockholmsbörsen is expected to recognize the Prospectus on 4 July 2003. In the case of discrepancies between the two language versions of the Prospectus, the following principles shall be applied. The Finnish version shall prevail only in respect of the Offer in Finland and the planned listing of the OM HEX shares in Finland, with the exception of the Combination Agreement that has been signed between the parties thereto in English and which is enclosed in the Finnish language Prospectus both in English and as an unofficial Finnish translation. In the case of discrepancies between the two language versions of the Combination Agreement or the interpretation thereof, the English version shall prevail. In all other circumstances the English version of the Prospectus shall prevail.

During the acceptance period of the Offer, the decisions of the FFSA and Stockholmsbörsen concerning approval and recognition of the Prospectus and the exemption order granted by the FFSA are available during office hours at OM's head office, Norrlandsgatan 31, Stockholm, Sweden and HEX's head office, Fabianinkatu 14, Helsinki, Finland. The Prospectus and the related acceptance forms will be sent by ordinary mail to all holders of HEX shares and HEX Warrants (as defined below) registered on 3 July 2003 in the register kept by the Finnish Central Securities Depository Ltd ("**APK**") to the addresses registered therein. Furthermore, the Prospectus and the related acceptance forms will be available during office hours at the following locations during the acceptance period of the Offer: OM's head office and Stockholmsbörsen, Norrlandsgatan 31, Stockholm, Sweden; HEX's head office and HEXGate, Fabianinkatu 14, Helsinki, Finland and from Sampo Bank plc's banking service branches and Mandatum Private Bank branches. Other necessary documents, including copies of the relevant corporate resolutions, will be available during office hours at the following locations during the acceptance period of the Offer (as they become available): OM's head office, Norrlandsgatan 31, Stockholm, Sweden and HEX's head office, Fabianinkatu 14, Helsinki, Finland.

Shares are offered only pursuant to the terms and conditions of the Offer and to the persons identified therein. No securities are offered for purchase or subscription to any other person or entity.

No offer is being made to persons whose participation in the Offer requires any additional prospectus, registration or other measures in addition to those required under Finnish and Swedish law. The shares to be issued by OM pursuant to this offer have not been, and will not be, registered under the United States Securities Act of 1933, as amended, nor under the securities laws of any state of the United States of America or under any securities laws of Canada, Japan or Australia and may not be offered or sold in the United States of America, Canada, Japan or Australia or to US, Canadian, Japanese or Australian persons, unless there is an applicable exemption from the registration requirements. Copies of this Prospectus, the related acceptance forms or any related offering documents must not be mailed to or otherwise distributed in, or sent to any country where such distribution or offer requires any such additional measures to be taken or would be in conflict with any law or regulation in such a jurisdiction. Persons who receive this Prospectus or any other documents related to the Offer must obtain information of and comply with any such limitations pertaining to acceptance of the Offer or to the offering of the securities herein. OM does not accept any liability for measures taken by persons or entities that are in conflict with the said restrictions.

Any dispute arising out of, or in connection with, this Prospectus and the Offer shall be governed by Finnish law and settled exclusively by Finnish courts, except for disputes arising out of, or in connection with, the issuance of shares in the Offer and other matters related to Swedish company law, which shall be governed by Swedish law.

Important information and definitions

Unless otherwise stated, references to "management" in the sections "Summary" and "OM HEX" are references to the management of OM.

References herein to "SEK", "Swedish Kronor", "kronor" or "krona" are to the lawful currency of the Kingdom of Sweden. References to "euro" or "EUR" are to the European currency unit. References herein to "USD" or "US dollars" are to the lawful currency of the United States. References to "GBP" or "£" are to the lawful currency of the United Kingdom.

The following table sets forth the exchange rates applied in this Prospectus for historical financial information:

Exchange rates	**3 months ended 31 March 2003**	**Year ended 31 December 2002**
SEK/EUR, average during period	9.1964	9.1487
SEK/EUR, at the end of period	9.2480	9.2018

Unless otherwise stated, Swedish Kronor have been translated, solely for convenience, into euro at the SEK/EUR reference rate of 9.1318 published on 10 June 2003. The exchange rates of 2002-2003 are based on Skandinaviska Enskilda Banken's ("**SEB**") fixing rate.

OM publishes its consolidated financial statements in Swedish Kronor and HEX publishes its consolidated financial statements in euro. The official reporting currency of OM HEX will be SEK. Following a listing on Helsinki Exchanges, OM HEX also intends to publish financial information in euro. For further information on the financial reporting of OM HEX, please see sections "OM HEX – Integration process – Financial reporting" and "Listing of OM HEX shares on Helsinki Exchanges – Information about OM HEX".

Certain financial and other information set forth in a number of tables in this Prospectus has been rounded off for the convenience of the readers. Accordingly, in certain instances, the sum of the figures in a column may not conform exactly to the total figure given in the relevant table. Market statistics are based on information collected from and produced by the management of OM and HEX (unless otherwise stated), which is not publicly available in all respects.

This Prospectus contains forward-looking statements, which are based on current expectations and projections about future events. When used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to OM HEX, OM, HEX or the management, are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties and are only relevant as of the date they are made. OM HEX's actual results may differ materially from those anticipated in such forward-looking statements as a result of a number of factors. Some of these factors are discussed in more detail in section "Risk factors". Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected.

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THE OFFER AND COMBINATION IN BRIEF

On 20 May 2003, OM and HEX entered into a combination agreement (the "**Combination Agreement**") attached hereto as Appendix C. Pursuant to the Combination Agreement, OM and HEX have agreed that OM will make an offer (i) to the shareholders of HEX (other than OM) to exchange their shares in HEX for newly issued shares in OM (the "**Exchange Offer**") and (ii) to the holders of HEX Warrants (as defined below) to exchange their HEX Warrants for cash (the "**Warrant Offer**"). The completion of the Warrant Offer is subject to the completion of the Exchange Offer. The Exchange Offer and the Warrant Offer are together referred to as the "**Offer**".

OM currently owns 2,103,717 shares in HEX, representing approximately 15.6 percent of the share capital.

The key terms of the Offer are summarized in the following:

- Under the Exchange Offer, for each HEX share, OM offers 2.5 newly issued OM shares (the "**Exchange Offer Ratio**").
- Under the Warrant Offer, OM offers a cash consideration of EUR 5.90 for each HEX warrant of series A, B, C and D (together the "**HEX Warrants**" and individually "**A Warrants**", "**B Warrants**", "**C Warrants**" and "**D Warrants**").

  Payment of the cash consideration shall be made (i) for tendered A Warrants and B Warrants within one (1) month from the Completion of the Offer (as defined below) and (ii) for tendered C Warrants and D Warrants within nine (9) months from the Completion of the Offer.
- No commission will be charged.

The Offer is subject to certain conditions, which are described in section "The Offer – Terms and conditions of the Offer – Conditions for Completion of the Offer".

All holders of HEX shares and HEX Warrants should carefully review and consider the full terms and conditions of the Offer, which have been included in section "The Offer – Terms and conditions of the Offer" as well as other information included in this Prospectus.

Subject to and following the Completion of the Offer, and any subsequent compulsory acquisition of outstanding minority shares of HEX under the Finnish Companies Act (the "**Compulsory Acquisition**"), HEX will become a wholly owned subsidiary of OM. For further information on the Compulsory Acquisition, please see section "The Offer – Terms and conditions of the Offer – Holders of HEX shares and HEX Warrants not accepting the Offer".

The Board of Directors of HEX unanimously recommends that the holders of HEX shares accept the Exchange Offer and that the holders of HEX Warrants accept the Warrant Offer. Please see sections "The Offer – Other matters relating to the Offer – Recommendations and support – Recommendations from the Board of Directors of HEX" and "Appendix E – Fairness opinions".

The Board of Directors of OM unanimously recommends that the shareholders of OM vote for the necessary resolutions at the General Meeting of Shareholders of OM in order to complete the combination. Please see section "The Offer – Other matters relating to the Offer – Recommendations and support – Recommendation from the Board of Directors of OM".

Shareholders (including OM) representing the majority of the issued and outstanding shares of HEX have expressed their initial support for the combination.

Certain other actions relating to the Offer

The Board of Directors of OM will call an Extraordinary General Meeting of Shareholders in OM, which is intended to be held on 18 August 2003. At the Extraordinary General Meeting of Shareholders, the Board of Directors of OM will, among other matters, propose that the General Meeting of Shareholders authorize the Board of Directors to decide on the issuance of new shares to be used as consideration in the Offer. Please see section "The Offer – Other matters relating to the Offer – Corporate decisions – OM".

An Extraordinary General Meeting of Shareholders in HEX was held on 16 June 2003. At the meeting it was resolved to amend the financial period of HEX to end on 30 June and to make the related amendments to the Articles of Association of HEX. Please see section "The Offer – Other matters relating to the Offer – Corporate decisions – HEX" and "HEX – Certain corporate information".

The Board of Directors of HEX will call an Annual General Meeting of Shareholders in HEX which is intended to be held on 21 August 2003. At the General Meeting of Shareholders, the Board of Directors of HEX will propose among other things that a dividend of not more than EUR 2.20 per share (and in any event the total amount of such dividend not exceeding EUR 29,637,801.60) be declared and distributed to HEX's existing shareholders registered on the record date in the list of shareholders kept by APK and that the meeting further resolve on other matters as specified in Article 12 of HEX's Articles of Association. For further information on the planned distribution by HEX, please see section "The Offer – Other matters relating to the Offer – Corporate decisions – HEX". Furthermore, certain effects of the distribution are discussed in section "OM HEX – Financial information".

Furthermore, pursuant to the Combination Agreement and subject to the Completion of the Offer, an application shall be made for the listing of the OM HEX shares on Helsinki Exchanges, subject to a separate decision. Please see section "Listing of OM HEX shares on Helsinki Exchanges".

It is the intention of the parties to carry out the combination as a share exchange under Section 52 (f) of the Finnish Business Income Act. Please see section "Taxation – Finnish tax considerations".

OM is to be renamed OM HEX upon the Completion of the Offer.

Important dates

Event	Preliminary date
Acceptance period	11 July – 25 August 2003
OM interim report for the period January – June 2003*	16 July 2003
HEX results for the financial period January – June 2003**	5 August 2003
OM Extraordinary General Meeting of Shareholders	18 August 2003
HEX Annual General Meeting of Shareholders	21 August 2003
Announcement of acceptance level	27 August 2003
Registration of the new OM HEX shares on the respective shareholders' Finnish book-entry accounts	3 September 2003
Listing of OM HEX shares on Helsinki Exchanges	4 September 2003

* The interim report of OM shall be published in Sweden in the form of a stock exchange release by OM and sent by ordinary mail to all holders of HEX shares and HEX Warrants registered on the banking date preceding the date of publication of the relevant report in the register kept by APK to the addresses registered therein. Furthermore, copies of the report will be available at the same locations as other documents relating to the Offer are available during the acceptance period.

** The results for the financial period January – June 2003 of HEX shall be published in Finland on the website of HEX, www.hex.com, and sent by ordinary mail to all holders of HEX shares and HEX Warrants registered on the banking date preceding the date of publication of the relevant report in the register kept by APK to the addresses registered therein. Furthermore, copies of the document will be available at the same locations as other documents relating to the Offer are available during the acceptance period.

The above periods and dates are indicative only. The periods may be extended or the dates postponed if the conditions for the Completion of the Offer (please see section "The Offer – Terms and conditions of the Offer") are not satisfied, or if the Offer is otherwise extended. The actual transfer of ownership of the HEX shares from the relevant holders of HEX shares to OM is herein referred to as the "**Completion of the Offer**".

Background and reasons in brief

On 20 May 2003, the Boards of Directors of OM and HEX announced plans to combine the companies in order to create an integrated Nordic and Baltic market for listing, trading, clearing, settlement and depository of securities. The management believes that, through the combination, a leading provider of marketplace services and transaction technology, OM HEX, will be created.

The management believes that the combination will provide benefits for the two companies' shareholders as well as for customers, such as issuers, members and investors. Examples of benefits for customers are increased liquidity, efficient member access, a broader range of services and lower costs when connecting to the Nordic markets.

The management believes that the combination will create value for both companies' shareholders primarily through strengthened competitiveness and substantial cost savings realized by operational efficiencies and the implementation of OM Technology's SAXESS™ and EXIGO CSD™ platforms at HEX.

The management also believes that the combination will strengthen OM's and HEX's exchange operations by creating a larger combined market and increasing liquidity. The exchange operations can be further strengthened by the implementation of an integrated and more efficient technology infrastructure based on OM Technology's existing proprietary systems platforms.

The combination will also, according to the management's view, strengthen OM's technology operations, which will benefit from a larger home market, including the operation and development of systems solutions for exchanges as well as central securities depositories (each a "**CSD**"). Following the planned combination, OM Technology will provide HEX with the trading platform SAXESS™ and intends to provide HEX with the CSD platform EXIGO CSD™, extending its home market horizontally (cross-border) as well as vertically (along the transaction chain). A large domestic market will benefit technology operations by increasing proximity to the demands of the market.

The combining parties in brief

OM develops and operates systems solutions for companies on the world's financial and energy markets. OM also owns and operates exchanges and clearing houses, including Stockholmsbörsen. OM's competitive strengths are firmly rooted in its core competence – transaction technology. More detailed information on OM is included in the section "OM" of this Prospectus.

HEX owns and operates the exchanges and CSDs in Finland, Estonia and Latvia. HEX offers issuers, investors and brokers marketplace services related to the value chain of securities and derivatives – trading, clearing, settlement and the deposit and registration of ownership. More detailed information on HEX is included in the section "HEX" of this Prospectus.

OM HEX in brief

The management believes that following the planned combination, the new Group, OM HEX, will be a leading provider of marketplace services and transaction technology. OM HEX will have two divisions: HEX Integrated Markets and OM Technology. HEX Integrated Markets, comprising Stockholmsbörsen and HEX's current stock exchanges and CSD operations, will operate Northern Europe's largest securities markets in terms of trading volume. The management believes that OM Technology will be a leading transaction technology provider. Through operational interaction and interchange of competence between the two divisions of OM HEX, the management believes that competitive advantages can be realized regarding both exchange and technology operations.

According to information as of 31 May 2003 (pro forma), the combined Group had 2,003 employees in 13 countries. Pro forma revenues for the combined Group for 2002 were SEK 3,487 m (EUR 381 m), net income was SEK 173 m (EUR 19 m) and earnings per share ("**EPS**") was SEK 1.5 (EUR 0.2). The equity/assets ratio was 52 percent as of 31 March 2003 (pro forma).

OM HEX AB (following the change of name from OM AB) will be the Parent Company of the combined Group. The corporate headquarters and registered office of OM HEX will be in Stockholm. It is intended that the headquarters of HEX Integrated Markets will be in Helsinki and the headquarters of OM Technology in Stockholm. The Group's corporate language will be English.

It is the intention that OM's Nominating Committee propose to the shareholders of OM, subject to and with effect as from the Completion of the Offer that the following persons be elected as members of the Board of Directors of OM HEX: Adine Grate Axén, Gunnar Brock, Thomas Franzén, Bengt Halse, Timo Ihamuotila, Tarmo Korpela, Mikael Lilius, Markku Pohjola and Olof Stenhammar. It is the intention that Olof Stenhammar be appointed Chairman of the Board of Directors. Furthermore, it is proposed that the Board of Directors of OM appoint Magnus Böcker as Acting President and CEO of OM HEX. Jukka Ruuska is proposed as President of the HEX Integrated Markets division and Deputy to Magnus Böcker. Kerstin Hessius is proposed as Deputy to Jukka Ruuska. Klas Ståhl is proposed as Acting President of the OM Technology division.

Through the realization of operational efficiencies and the implementation of OM's technology at HEX, the combination is expected to create annual cost reductions in the range of SEK 180 m (EUR 20 m) pre-tax with full effect within three years. Transaction and restructuring costs are estimated at around SEK 360 m (EUR 39 m) pre-tax, related to, for example, costs for harmonization of technology, write-downs of certain transaction related systems in HEX, integration bonus and redundancies. No revenue synergies have been quantified, although the combination is expected to have positive dynamic effects on revenues by the introduction of new products and a general increase in the attractiveness of the marketplaces. The combination will also result in one of OM Technology's largest orders to date.

Through the combination, OM HEX will take the initiative towards creating an integrated Nordic market in listing, trading, clearing, settlement and depository of securities. With more than 80 percent of the total trading turnover in the Nordic market and access to an established and proprietary technology infrastructure, the new entity can invite other markets to join via mergers, expansion of existing co-operations or new co-operations.

SUMMARY OF UNAUDITED CONDENSED PRO FORMA CONSOLIDATED KEY FINANCIAL INFORMATION

The pro forma combined financial information presented in this Prospectus has been prepared in order to give a better understanding of what the results of operations and financial position of OM HEX might have been if the combination had occurred on an earlier date. This information is provided for illustrative purposes only and does not show what the results of operations or financial position of the combined entity would have been if the Offer had been completed and the combination had actually occurred on the dates assumed. Furthermore, this information does not indicate what the future operating results or financial position of the combined entity will be.

The unaudited condensed pro forma consolidated income statements for the year ended 31 December 2002 and for the three months ended 31 March 2003 give effect to the combination as if the transaction had occurred on 1 January 2002. The unaudited condensed pro forma consolidated balance sheet as of 31 March 2003 gives effect to the combination as if it had occurred on 31 March 2003. However, HEX's historical financial statements have been adjusted for certain events that have occurred or are expected to occur after 31 March 2003 and before the date of the exchange of control (see pages 35–36 in "OM HEX – Financial information – Notes to the unaudited condensed pro forma consolidated financial statements – Note 3: Adjustments of pre-combination events").

The unaudited condensed pro forma consolidated financial information of the combined entity is based on the historical financial statements of OM and HEX, which are included in sections "Appendix A – Financial Information – OM" and "Appendix B – Financial Information – HEX". Please see section "OM HEX – Financial information" for a more detailed explanation of this analysis.

	Year ended 31 December 2002				Three months ended 31 March 2003			
	OM[1)]	**HEX**	**Consolidated**		**OM**	**HEX**	**Consolidated**	
	(SEK m)	**(SEK m)**	**(SEK m)**	**(EUR m)**	**(SEK m)**	**(SEK m)**	**(SEK m)**	**(EUR m)**
Net sales	2 637	850	3 487	381	612	202	814	89
Operating income	130	249	308	34	22	58	63	7
Income after financial items	99	260	263	29	11	58	50	5
Net income	**84**	**183**	**173**	**19**	**8**	**40**	**30**	**3**
Goodwill					862	18	2 299	249
Other fixed assets					1 686	217	1 751	189
Other current assets					1 183	259	1 498	162
Short-term investments and cash & bank					1 168	617	1 236	134
Total assets					**4 899**	**1 112**	**6 784**	**734**
Shareholders' equity					1 938	696	3 492	378
Minority interest					-	10	10	1
Provisions					104	1	265	29
Long-term liabilities					258	2	260	28
Short-term liabilities					2 599	404	2 758	298
Total equity and liabilities					**4 899**	**1 112**	**6 784**	**734**
Earnings per share, SEK/EUR	1.00	13.57	1.54	0.17	0.09	3.00	0.26	0.03
Operating margin, %	5	29	9	9	4	29	8	8
Return on equity, %	4	25	5[2]	5[2]	2	22	3[2]	3[2]
Equity/assets ratio, %					40	63	52	52
Equity per share, SEK/EUR					23.06	51.63	31.05	3.36

1) OM's income statement for the year ended 31 December 2002 represents Continuing operations, i.e. excluding Discontinued operations.

2) Calculated on balance sheet data as of 31 March 2003.

TERMS AND CONDITIONS OF THE OFFER

Object of the Offer

HEX shares

The registered and outstanding share capital of HEX is EUR 26,943,456, which is divided into 13,471,728 shares each of a nominal value of EUR 2, of which OM owns 2,103,717 shares (approximately 15.6 percent).

OM offers to purchase all issued and outstanding HEX shares, excluding the HEX shares held by OM, in exchange for new OM shares as set forth below ("**Exchange Offer**").

HEX Warrants

HEX has on 30 November 2000 issued 1,400,000 warrants divided into series A, B, C and D ("**HEX Option Program**"). On 10 June 2003, 1,259,175 of these registered warrants were allocated and outstanding (together the "**HEX Warrants**" and each series of warrants "**A Warrants**", "**B Warrants**", "**C Warrants**" and "**D Warrants**" respectively).

OM offers to purchase all outstanding HEX Warrants, excluding any HEX Warrants held by HEX or any of its subsidiaries, for a cash consideration as set forth below ("**Warrant Offer**"). A precondition for the fulfillment of the Warrant Offer is the completion of the Exchange Offer.

The Exchange Offer and the Warrant Offer are hereinafter together referred to as the "**Offer**".

Consideration offered for the HEX shares and the HEX Warrants

HEX shares

OM offers 2.5 OM shares, with a nominal value of SEK 2, ranking *pari passu* in all respects with the existing OM shares, in exchange for each HEX share, nominal value EUR 2, validly tendered in the Exchange Offer.

HEX shareholders participating in the Exchange Offer will only receive whole OM shares. Fractional entitlements to OM shares will not be delivered to holders of HEX shares in the Exchange Offer. Instead, fractional entitlements to OM shares following from the Exchange Offer Ratio will subsequently be combined and sold on Stockholmsbörsen or on Helsinki Exchanges on behalf of, and proceeds of the sales will be distributed pro rata to, HEX shareholders entitled to fractional entitlements. For further information on fractional entitlements, see "Fractional Entitlements to OM shares" below.

The new OM shares will entitle to dividends and other shareholder rights from the registration of the increase of OM's share capital with the Swedish Patent and Registration Office.

HEX Warrants

OM offers a cash consideration of EUR 5.90 for each HEX Warrant. Payment of the cash consideration shall be made (i) for tendered A Warrants and B Warrants not later than one (1) month from the Completion of the Offer and (ii) for tendered C Warrants and D Warrants not later than nine (9) months from the Completion of the Offer. However, payment of the cash consideration to a warrant holder is conditional upon the warrant holder not having terminated his/her employment relationship with the OM HEX Group or OM HEX, HEX or any of their respective affiliated companies not having terminated the employment on individual grounds (save for reasons attributable to retirement, permanent disability, death or other reason accepted by the Board of Directors of OM) until the date of payment. In the event that the payment condition is not met, no consideration is payable by OM and the ownership of the tendered HEX Warrants will be transferred to OM.

Effect of certain measures on the consideration

Should a General Meeting of Shareholders of HEX resolve to distribute a dividend in excess of EUR 2.20 per HEX share or to issue new shares, amend the nominal value of the HEX shares (split), issue new warrants or issue a convertible loan or other rights entitling their holders to shares of HEX, or if a record date with respect to any of the foregoing shall occur prior to the Completion of the Offer, the consideration offered for the HEX shares and HEX Warrants shall be equitably adjusted to reflect such a change, as decided by OM after having consulted HEX. Any such adjustments shall be announced following the procedure set forth for announcing the result of the Offer.

Conditions for Completion of the Offer

The obligation of OM to issue new OM shares in exchange for the HEX shares validly tendered and to complete the Exchange Offer, and to pay the cash consideration for HEX Warrants validly tendered and complete the Warrant Offer is subject to the satisfaction or, where permitted under applicable law, waiver by both OM and HEX in writing of the following conditions ("**Offer Conditions**"):

a) that the aggregate number of (i) HEX shares validly tendered in the Exchange Offer, and (ii) the present shareholding of OM in HEX, in the reasonable judgment of OM, exceeds 90 percent of the aggregate number of (a) all issued and outstanding shares of HEX and (b) the shares represented by all of the HEX Warrants, not validly tendered in the Warrant Offer, and the warrants issued by HEX but not allocated and outstanding, enabling OM to conduct a redemption proceeding pursuant to the Finnish Companies Act, even if all of the warrant holders not having accepted the Warrant Offer should exercise all of their HEX Warrants and subscribe for new shares in HEX;

b) that (i) the capital increase necessary to complete the Exchange Offer through the issuance of new OM shares entitling to the same rights as of the date of their issuance, as the existing ordinary shares of OM, (ii) the election as directors of OM, effective as of the Completion of the Offer, of the persons nominated pursuant to the Combination Agreement, (iii) the amendment of the trade name of OM to OM HEX Aktiebolag, and (iv) the amendment of the Articles of Association required by the election of new directors and the amendment of the trade name of OM, shall have been approved or, where appropriate, authorized by the vote of the shareholders of OM;

c) that no court of competent jurisdiction or any governmental or regulatory authority, agency or similar entity shall have issued or entered any order, which has the effect of making any of the transactions related to the Offer illegal or otherwise prohibiting their consummation and that such transactions shall not otherwise be illegal under any applicable law or regulation;

d) that all consents, approvals, authorisations and registrations (including without limitation those set forth in Section 4.1.1 of the Combination Agreement) required to be obtained from the applicable regulatory entities to consummate the transactions related to the Offer shall have been obtained;

e) that no court of competent jurisdiction, competition authority or any other regulatory authority, agency or other similar entity shall have imposed further conditions to their consent or decision to approve the transaction contemplated hereby, which further conditions have not been accepted by both OM and HEX, as decided by each of OM and HEX in their reasonable opinion;

f) that any waiting period (and any extension thereof) applicable to the consummation of the transactions under any competition, merger control or similar law of the European Union, Sweden, Finland or any other relevant jurisdiction (including without limitation Estonia and Latvia), shall have expired or been terminated; and

g) that all Combination Conditions set forth in Section 1.5 of the Combination Agreement shall have been satisfied or waived, as the case may be, and that the Combination Agreement shall remain in full force and effect and shall not have been terminated

Any of the Offer Conditions may, subject to applicable law, be waived, but only if OM and HEX agree in writing to such waiver.

Offer Period

The Offer commences on 11 July 2003 at 10:00 a.m. Finnish time and expires on 25 August 2003 at 4:00 p.m. Finnish time (the "**Offer Period**"). OM may extend the Offer Period if so agreed in writing with HEX by making an announcement of such an extension at the latest on the business day following the date on which the Offer Period would have expired if it had not been so extended. If OM extends the Offer Period as described herein, the Offer Period will be extended to, and will expire on, the date and time to which OM extends the Offer Period. The maximum duration of the Offer Period is three (3) months from the commencement of the Offer Period. OM may, if so agreed in writing with HEX, extend the Offer Period in addition to the above if any possible merger control or other regulatory filings with or approvals from any authorities so require until such filing is completed or approval is obtained, but it shall in no event be extended further than 30 November 2003.

The Offer will lapse unless all of the Offer Conditions have been and continue to be satisfied, by the expiration of the Offer Period, or, where appropriate, have been waived.

If OM is obligated to complete the Offer in accordance with these terms, OM shall, subject to its obligations under "OM's acceptance of the tendered shares and warrants and settlement" below, have a right, but no obligation, to extend the Exchange Offer for a period not exceeding six (6) weeks after the Completion of the Offer with respect to remaining, outstanding shares in HEX. Such an extension shall be announced in connection with OM's announcement of proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer.

Procedure for acceptance of the Offer

Holders of HEX shares

If you are a holder of HEX shares who is directly registered in the shareholders' register held by APK on 3 July 2003 you will receive an acceptance form with tender instructions together with the Prospectus. Subscription can be made at

Sampo Bank plc's banking service branches ("**Sampo Bank**") and Mandatum Private Bank's branches ("**Mandatum Private Bank**"). Acceptance forms are also available from these subscription places.

If your HEX shares are nominee registered and you wish to accept the Exchange Offer, you must make such an acceptance in accordance with such nominee's instructions. OM will not send you any documents relating to the Exchange Offer directly.

If your HEX shares have been pledged, the consent of the relevant pledgee is required for acceptance of the Exchange Offer and it is your responsibility to obtain such consent.

If you wish to accept the Exchange Offer, you must complete, sign and return the acceptance form to Sampo Bank or Mandatum Private Bank in accordance with the instructions on the acceptance form on or before 4:00 p.m. Finnish time on 25 August 2003 or, if the Offer Period has been extended, before the expiration of the Offer Period as extended. Do not send your acceptance form to HEX or OM. You can also accept the Exchange Offer by telephone to the service telephone of Sampo Bank and Mandatum Private Bank at +358 (0)200 25765, provided you have a valid agreement of service keys.

You may accept the Exchange Offer only in relation to all of your HEX shares. Any partial tender of your HEX shares may be rejected as a non-acceptance of the Exchange Offer.

By accepting the Exchange Offer, you authorize Sampo Bank or your account operator, (i) upon expiration of the Offer Period or (ii) the announcement by OM of the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer, whichever comes first, to place a transfer restriction on the tendered HEX shares, to effect the exchange of the relevant HEX shares for OM shares, including the necessary registrations in the book-entry account as described below in section "OM's acceptance of the tendered shares and warrants and settlement" and to transfer the title of tendered HEX shares to OM as payment for the subscription for the OM shares offered in the Exchange Offer. By accepting the Exchange Offer you authorize Sampo Bank plc to subscribe for the OM shares. The authorization also covers the sale of any fractional entitlements to OM shares by Sampo Bank plc or a party elected by Sampo Bank plc as described below under "Fractional entitlements to OM shares".

You may withdraw your acceptance of the Exchange Offer prior to the expiration of the Offer Period or before OM has announced the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer as set forth in "Announcement of the result of the Offer", whichever comes first.

For your withdrawal to be effective you must provide a written notice of withdrawal to Sampo Bank or Mandatum Private Bank (or in the case of a nominee registration, instruct your nominee to provide such notice), to whom you have delivered your acceptance, or, provided you have a valid agreement of service keys, you can make your withdrawal notice by telephone to the service telephone of Sampo Bank and Mandatum Private Bank at +358 (0)200 25765, for arrival during the Offer Period or prior to OM having announced the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer, whichever comes first. Following the procedure for withdrawal, you may re-tender your HEX shares at any time prior to the expiration of the Offer Period.

Tendered HEX shares can be transferred prior to the expiration of the Offer Period or prior to OM having announced the proper fulfillment or waiver of the Offer Conditions and its obligation to fulfill the Offer, whichever comes first. Transfer of tendered HEX shares from the book-entry account on which the shares were registered upon acceptance of the Exchange Offer constitutes a withdrawal of the acceptance of the Exchange Offer without a specific withdrawal notice from the shareholder or any notice to the shareholder from the account operator effecting the transfer. The new holder of the HEX shares has at any time prior to the expiration of the Offer Period the right to re-accept the Offer by following the acceptance procedure.

Following the expiration of the Offer Period or announcement by OM of the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer, whichever comes first, you may not transfer any of your tendered HEX shares, and a transfer restriction in respect of such tendered shares will be registered in the book-entry system. A technical interim book-entry will be registered on your book-entry account, which will be exchanged to OM shares according to the Exchange Offer Ratio if the Offer is completed, or changed back to the tendered HEX shares if the Offer is not completed. In the event that OM has not within two (2) business days after the expiration of the Offer Period, announced the fulfillment of the Offer Conditions and its obligation to complete the Offer, OM shall release the transfer restrictions and effect all proper registrations on the shareholder's book-entry account as soon as reasonably practicable and in any event not later than within two (2) business days after OM should have announced the completion of the Offer as set out in "Announcement of the Result of the Offer" below.

Following completion of the Exchange Offer, each HEX share tendered in the Exchange Offer will be exchanged into 2.5 OM shares.

The delivery of OM shares to the holders of HEX shares who have accepted the Exchange Offer will take place after the increase in OM's share capital has been registered with the Swedish Patent and Registration Office and the new OM shares issued as consideration for the HEX shares tendered in the Exchange Offer have been issued in the Swedish book-entry system and transferred through the book-entry link from the Swedish book-entry system to the Finnish book-entry system. See "APK-registered OM shares" below and "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

The method of delivery and timely arrival of acceptance forms and all other required documents is at your option and risk. The delivery will be deemed complete only when actually received by Sampo Bank or Mandatum Private Bank. In all cases, you should follow the instructions sent to you together with the acceptance form and allow sufficient time to ensure timely delivery.

Holders of HEX Warrants

If you are a holder of HEX Warrants who is directly registered in the register of warrant holders held by APK on 3 July 2003 you will receive an acceptance form with tender instructions together with the Prospectus. Subscriptions can be made at Sampo Bank and Mandatum Private Bank. The acceptance forms are also available from these subscription places.

If your HEX Warrants are nominee registered and you wish to accept the Warrant Offer, you must make such acceptance in accordance with such nominee's instructions. OM will not send you any documents relating to the Warrant Offer directly.

If your HEX Warrants have been pledged, the consent of the relevant pledgee is required for acceptance of the Warrant Offer and it is your responsibility to obtain such consent.

If you wish to accept the Warrant Offer, you have to complete, sign and return the acceptance form to Sampo Bank or Mandatum Private Bank in accordance with the instructions on the acceptance form on or before 4:00 p.m. Finnish time on 25 August 2003 or, if the Offer Period has been extended, before the expiration of the Offer Period as extended. Do not send your acceptance form to HEX or OM. You can also accept the Warrant Offer by telephone to the service telephone of Sampo Bank and Mandatum Private Bank at +358 (0)200 25765, provided you have a valid agreement of service keys.

You may accept the Warrant Offer only in relation to all of your HEX Warrants. Any partial tender of your HEX Warrants may be rejected as a non-acceptance of the Warrant Offer.

By accepting the Warrant Offer, you authorize Sampo Bank or your account operator, (i) upon expiration of the Offer Period, or (ii) the announcement by OM of the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer, whichever comes first, to place a transfer restriction on the tendered HEX Warrants and to transfer the tendered HEX Warrants to OM in accordance with these terms and conditions of the Offer.

You may withdraw your acceptance of the Warrant Offer prior to the expiration of the Offer Period or before OM has announced the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer as set forth in "Announcement of the result of the Offer" below, whichever comes first.

For your withdrawal to be effective you must provide a written notice of withdrawal to Sampo Bank or Mandatum Private Bank (or in the case of nominee registration, instruct your nominee to provide such notice), to whom you have delivered your acceptance, or, provided you have a valid agreement of service keys, you can make your withdrawal notice by telephone to the service telephone of Sampo Bank and Mandatum Private Bank at +358 (0)200 25765, for arrival prior to the expiration of the Offer Period or prior to OM having announced the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer, whichever comes first. You may re-tender your HEX Warrants at any time prior to the expiration of the Offer Period by following the acceptance procedure.

Tendered A Warrants can be transferred prior to the expiration of the Offer Period or prior to OM having announced the proper fulfillment or waiver of the Offer Conditions and its obligation to fulfill the Offer, whichever comes first. The transfer of tendered A Warrants from the book-entry account on which the warrants were registered upon acceptance of the Warrant Offer constitutes a withdrawal of the acceptance of the Warrant Offer without a specific withdrawal notice from the warrant holder or any notice to the warrant holder from the account operator effecting the transfer. The new holder of the A Warrants has at any time prior to the expiration of the Offer Period the right to re-accept the Offer by following the acceptance procedure. The HEX B, C and D Warrants are not transferable pursuant to their terms and conditions.

Following the expiration of the Offer Period or announcement by OM of the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to fulfill the Offer, whichever comes first, you may not transfer any of your tendered HEX Warrants and a transfer restriction in respect of such tendered HEX Warrants will be registered in the warrant holder's book-entry account. In the event that OM has not within two (2) business days after the expiration of the Offer Period, announced the fulfillment of the Offer Conditions and its obligation to complete the Offer, OM shall release the transfer restrictions placed on the tendered HEX Warrants as soon as reasonably practicable and in any event not later than within two (2) business days after OM should have announced the completion of the Offer as set forth in "Announcement of the result of the Offer" below.

The method of delivery and the timely arrival of acceptance forms and all other required documents is at your option and risk. The delivery will be deemed complete only when actually received by Sampo Bank or Mandatum Private Bank. In all cases, you should follow the instructions sent to you together with the acceptance form and allow sufficient time to ensure timely delivery.

Validity of the tender of securities

OM reserves the right to reject any and all tenders of HEX shares and HEX Warrants that it determines not to be in proper form or the acceptance of which may be unlawful. No tender of HEX shares or HEX Warrants will be deemed to have been validly made until all defects and irregularities in such tenders have been cured or waived before the expiration of the Offer Period. Neither OM nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any HEX shares or HEX Warrants, nor will any of them incur any liability for failure to give any such notification.

Fractional entitlements to OM shares

Fractional entitlements to OM shares will not be delivered to holders of HEX shares in the Exchange Offer. To the extent that holders of HEX shares are entitled to receive fractions of OM shares, in exchange for their HEX shares, those fractional entitlements will be combined with other holders' fractional entitlements and subsequently sold on behalf of such holders on Stockholmsbörsen or Helsinki Exchanges. Each such holder of HEX shares who does not receive full consideration as OM shares will receive a cash consideration corresponding to the fraction of the price of the OM share, the price of which shall be based on the average sale price of all of the shares combined from the fractional entitlements and sold on behalf of those tendering shareholders.

The sale of the fractional entitlements shall be executed by Sampo Bank plc or its order as soon as practicable, however, in any event not later than within five (5) business days following the commencement of the trade in the new OM shares on Stockholmsbörsen or Helsinki Exchanges, as the case may be. The proceeds will be paid to the holders of HEX shares in euro within ten (10) business days after the sale of the combined fractional entitlements.

By accepting the Exchange Offer, the tendering HEX shareholder authorizes Sampo Bank plc or its order, in the case of fractional entitlements to OM shares, to combine such holder's fractional entitlements to an OM share with other such fractional entitlements and sell them on Stockholmsbörsen or Helsinki Exchanges, as decided by Sampo Bank plc.

No commissions will be charged from the shareholders for the sale of fractional entitlements and OM shall be responsible for all fees and costs related thereto.

Announcement of the result of the Offer

The result of the Offer will be announced as soon as practicably possible after the expiration of the Offer Period and not later than on the second (2) business day following the expiration of the Offer Period or, if the Offer Period has been extended, after the expiration of the extended Offer Period. The announcement of proper fulfillment or waiver, as the case may be, of the Offer Conditions shall create an obligation for OM to complete the Offer in accordance with these terms. The announcement of the result of the Offer will be made in accordance with the rules of Stockholmsbörsen and through Helsinki Exchanges and include information as to whether or not the Offer will be completed.

OM's acceptance of the tendered shares and warrants and settlement

Holders of HEX shares

If the Offer Conditions have been fulfilled, or where permitted waived, OM will, pursuant to the announcement set forth in "Announcement of the result of the Offer" above, accept for exchange and will exchange all HEX shares that have been validly tendered at the earliest practicable time following the expiration of the Offer Period and deliver OM shares to tendering holders on or about seven (7) business days following the expiration of the Offer Period. Holders of OM shares delivered in the Exchange Offer will be able to exercise their rights as OM shareholders from the date of the registration of the shares in the holder's securities accounts with APK. The rights of holders of OM shares that are held through VPC (the Swedish Central Securities Depository) or APK are subject to the rules and regulations of VPC and APK concerning, among other matters, voting at General Meetings of Shareholders, payment of dividends and trading and settlement. For a further discussion of VPC and APK, see "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM shares", "Securities Markets – The Swedish Securities Market – Registration process" and "Securities Markets – The Finnish Securities Market – The Finnish Book-Entry Security System".

Title to HEX shares tendered in the Exchange Offer will be transferred to OM upon (i) transfer of the tendered HEX shares to the book-entry account of OM in APK and (ii) a simultaneous registration of a transfer restriction in the book-entry account of OM, to secure HEX shareholders' right to OM shares. Such restriction shall be released upon transfer of OM shares to be delivered as consideration for the HEX shares to a nominee account of APK in VPC.

The new OM shares, issued as consideration for the tendered HEX shares, will be delivered to the Finnish book-entry accounts of the holders of the tendered HEX shares, through a book-entry link between APK and VPC. See "Listing of OM HEX shares on Helsinki Exchanges". As to fractional entitlements, see "Fractional entitlements to OM shares" above.

Provided that the Offer is completed, the OM shares are expected to be entered into the relevant book-entry accounts on 3 September 2003 and OM shares are expected to become eligible for trading on Stockholmsbörsen immediately thereafter. The intention is that the OM shares will become eligible for trading on Helsinki Exchanges as soon as practicable after the completion of the Offer and the aim is that the trade on Helsinki Exchanges will commence on or about 4 September 2003. See "Listing of the OM shares" below and "Summary – Important dates".

Holders of HEX Warrants

If the Offer Conditions have been fulfilled, or where permitted waived, OM will accept all valid tenders of HEX Warrants at the earliest practicable time following the expiration of the Offer Period and pay the cash consideration for tendered (i) A Warrants and B Warrants not later than one (1) month from the Completion of the Offer and (ii) C and D Warrants not later than nine (9) months from the Completion of the Offer. Payment of the cash consideration for tendered HEX Warrants is, however, conditional upon the warrant holder not having terminated his/her employment relationship with the OM HEX Group or OM HEX, HEX or any of their respective affiliated companies not having terminated the employment of the warrant holder on individual grounds (save for reasons attributable to retirement, permanent disability, death or other reason accepted by the Board of Directors of OM) until the date of payment. In the event that the payment condition is not met, no consideration is payable by OM.

Title to HEX Warrants tendered in the Warrant Offer will be transferred to OM (i) upon delivery of the HEX Warrants to the book-entry account of OM in APK against a simultaneous payment of the cash consideration or (ii) if, prior to the date set for payment of the consideration, the employment of the warrant holder has been terminated by the employee or the employer on such grounds that no consideration will be payable (as set forth above), on the date on which payment for the relevant HEX Warrants should have been made had the employment of the warrant holder not been terminated, in which case the HEX Warrants of such a warrant holder shall be transferred to the book-entry account of OM in APK without payment.

Listing of the OM shares

Provided that the Offer Conditions are fulfilled or waived by both OM and HEX in writing, an application will be made to Helsinki Exchanges to list the OM shares on the main list of Helsinki Exchanges. The intention is that listing of the OM share on Helsinki Exchanges shall occur as soon as practicable after Completion of the Offer and in any event not later than by 15 December 2003. The OM shares to be issued as consideration for the tendered HEX shares shall be subject to stock exchange trading on Stockholmsbörsen. OM shall use its best efforts to cause the new OM shares to be registered on Stockholmsbörsen within five (5) business days following the Completion of the Offer. The precise dates on which listings will occur will depend on the date on which the listing of the OM shares on Helsinki Exchanges is approved, the Offer Conditions are fulfilled or waived and the Offer is completed.

APK-registered OM shares

The OM shares, which upon Completion of the Offer will be delivered to those holders of HEX shares that have accepted the Exchange Offer, will be registered in APK's nominee account in VPC. By accepting the Exchange Offer the holder of HEX shares consents to the delivery of the OM shares to the Finnish book-entry system through the link between VPC and APK, whereby APK becomes the nominee with respect to the APK-registered OM HEX shares and accepts that the OM shares so delivered are subject to the applicable provisions under Finnish law and APK's rules governing the link. For further information on the APK-registered OM shares, see "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

Information on ownership of the APK-registered OM shares is subject to the secrecy obligation under Section 29 of the Finnish Act on the Book-Entry System (826/1991, as amended) and hence not public nor accessible to OM without an exemption from the secrecy obligation. The OM shares registered and handled in the Finnish book-entry system will be subject to the condition that OM and the relevant authorities shall be entitled to receive information on the ownership of OM shares, which information OM and the relevant authorities are entitled to receive under applicable laws and regulations, notwithstanding the secrecy obligation referred to above, either directly from APK or through VPC. APK shall be entitled to provide OM and the relevant authorities with such information regarding holders of APK-registered OM shares to the same extent APK provides to Finnish companies under the Finnish Companies Act (734/1978, as amended), including the name of the holder, personal identity number or other identification code, contact information, payment address and taxation information as well as the number of OM shares held by the owner. The right to provide, obtain and use such information on ownership will be registered by APK in the issue account pursuant to Section 27, paragraph 3 of the Finnish Act on the Book-Entry System.

Taxes and other payments

OM shall be responsible for potential Finnish asset transfer taxes levied in connection with the completion of the Exchange Offer and the Warrant Offer.

OM will be responsible for any fees charged by Sampo Bank, Mandatum Private Bank or the relevant account operators (including, for example, fees charged pursuant to the agreement between the account operator and the shareholder or warrant holder) in respect of transferring any HEX shares and HEX Warrants to OM and transferring the relevant OM shares from OM in connection with the Offer. No commission relating to the sale and purchase of HEX shares and HEX Warrants in connection with the Completion of the Offer will be charged to HEX shareholders or holders of HEX Warrants.

Each HEX shareholder will be responsible for all other costs and fees associated with the subsequent custody arrangements and operations relating to the OM HEX shares. For information on trading in OM HEX shares and custody arrangements, see "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

Other issues

The Board of Directors of OM or any person or corporate body designated by the said Board of Directors shall decide all other matters in respect of the Exchange Offer and Warrant Offer. However, any matters of material importance shall be agreed upon in advance (in writing) by and between OM and HEX.

The Offer is not being made directly or indirectly in any jurisdiction where prohibited by applicable law and the Prospectus and related acceptance forms may not be distributed, forwarded or transmitted into or from any jurisdiction where prohibited by applicable law by any means whatsoever including, without limitation, mail, facsimile transmission, e-mail or telephone.

Holders of HEX shares and HEX Warrants not accepting the Offer

HEX shares

OM's objective is to acquire all of the issued and outstanding shares of HEX. If OM obtains more than nine-tenths (9/10) of the shares and votes in HEX, OM has the right and, if so requested by any of the remaining shareholders of HEX, an obligation to initiate a redemption process (Compulsory Acquisition) for all remaining HEX shares in accordance with Chapter 14, Section 19 of the Finnish Companies Act. In this case, HEX shareholders will receive the redemption price in cash. According to the Finnish Companies Act, the redemption price shall be a fair market price. Disputes relating to the right of redemption and the amount of redemption price will be settled by an arbitral panel appointed by the Central Chamber of Commerce in Finland.

Pursuant to the Combination Agreement, OM has undertaken to initiate a Compulsory Acquisition proceeding after the Completion of the Offer provided that all prerequisites for initiating a Compulsory Acquisition under Finnish law are fulfilled.

HEX Warrants

If OM obtains more than nine-tenths (9/10) of the shares and votes in HEX the holders of HEX Warrants that have not accepted the Warrant Offer will be reserved the right to exercise their HEX Warrants and subscribe for shares in HEX in accordance with Section 8 of the HEX Option Program. The subscription period will be decided by the Board of Directors of HEX. These shares will be subject to the Compulsory Acquisition procedure set forth in Chapter 14, Section 19 of the Finnish Companies Act as described above.

If the holder of a HEX Warrant does not accept the Warrant Offer and does not use his/her right for subscription of new HEX shares, his/her rights will be determined in accordance with the terms and conditions of the HEX Option Program.

OTHER MATTERS RELATING TO THE OFFER

Corporate decisions

OM

The Board of Directors of OM will convene an Extraordinary General Meeting of Shareholders in OM, which is intended to take place on 18 August 2003. At the Extraordinary General Meeting of Shareholders, the Board of Directors will propose, among other things, that the General Meeting

- authorize the Board of Directors to decide on the issuance of a maximum of 31,785,027[1] new shares, necessary to complete the Offer, leading to an increase of the share capital by a maximum of SEK 63,570,054, corresponding to a maximum of 27.4 percent of the share capital (assuming use of the authorization in full);
- resolve to change, subject to the Completion of the Offer, OM's name to OM HEX, by amending OM's Articles of Association;
- resolve to change, subject to the Completion of the Offer, the object of OM's operations, by amending OM's Articles of Association;
- resolve, subject to the Completion of the Offer, that the Company's Board of Directors shall consist of not less than five and not more than twelve members, by amending OM's Articles of Association; and
- resolve, subject to the Completion of the Offer, that notices to attend General Meetings of Shareholders shall be published in at least one Finnish newspaper, in addition to in Swedish newspapers, by amending OM's Articles of Association.

For the Articles of Association of OM HEX in the form to be proposed to the Extraordinary General Meeting of Shareholders of OM, please see "Appendix D – Articles of Association of OM HEX".

At the Extraordinary General Meeting of Shareholders, the shareholders of OM will also, among other things, be asked to elect, subject to and with effect as from the Completion of the Offer, the following persons as members of the Company's Board of Directors: Adine Grate Axén, Gunnar Brock, Thomas Franzén, Bengt Halse, Timo Ihamuotila, Tarmo Korpela, Mikael Lilius, Markku Pohjola and Olof Stenhammar. It is the intention that Olof Stenhammar be appointed Chairman of the Board of Directors.

The affirmative vote of holders of a majority of the votes cast at the Extraordinary General Meeting of Shareholders in OM is required to approve the authorization to issue the new OM shares necessary to complete the Offer. The affirmative vote of two-thirds of the votes cast and the shares represented at the Meeting is required to amend the Articles of Association. The election of members of the Board of Directors will be determined by a plurality of the votes cast.

In addition, the Board of Directors of OM will propose that the Extraordinary General Meeting of Shareholders resolve, subject to the Completion of the Offer and in deviation from shareholders' pre-emptive rights, on the issuance of a debenture with a maximum of 1,150,000 detachable warrants to be offered to key employees of OM HEX[2] (please see "OM HEX – Shares, share capital and shareholder structure – Shares and share capital"). Such resolution requires the affirmative vote of at least nine-tenths of the votes cast and the shares represented at the Meeting.

The Board of Directors of OM has prepared an information brochure for the purposes of informing the shareholders of OM of the proposed combination with HEX and to serve as a basis for the decisions to be taken at the Extraordinary General Meeting. The information brochure has been prepared in Swedish and in English and will be distributed to the shareholders of OM by mail on or about 10 July 2003.

HEX

An Extraordinary General Meeting of Shareholders in HEX was held on 16 June 2003. At the Meeting it was resolved to amend the financial period of HEX to extend from 1 July to 30 June by amending the company's Articles of Association. Thus, the previous financial period ended on 30 June 2003 and the current financial period commenced on 1 July 2003. Furthermore, in relation to the change of the accounting period, it was resolved to amend Article 12 of the Articles of Association of HEX so that the Annual General Meeting of Shareholders shall be held within six (6) months from the end of the financial period. The change made corresponds to the previous provision stating that the Annual General Meeting of Shareholders shall be held before the end of June (i.e. within six months from the end of the financial period). The amendment to the Articles of Association was registered in the Trade Register maintained by the Finnish National Board of Patents and Registration on 17 June 2003.

[1] This also includes OM shares potentially issued as consideration for any HEX shares issued as a result of exercise of HEX Warrants.
[2] For technical reasons, the issue will be directed to OM Treasury AB, which, in its turn, will sell the warrants to the relevant key employees of OM HEX.

On 16 June 2003, the Board of Directors of HEX resolved, pursuant to the terms and conditions of the HEX Option Program, to give the holders of HEX Warrants the right to transfer B Warrants, C Warrants and D Warrants to OM, provided that the Exchange Offer is completed.

The Board of Directors of HEX will convene an Annual General Meeting of Shareholders in HEX which is intended to be held on 21 August 2003. At the General Meeting of Shareholders, the Board of Directors of HEX will propose among other things that a dividend of not more than EUR 2.20 per share (and in any event the total amount of such dividend not exceeding EUR 29,637,801.60) be declared and distributed to HEX's existing shareholders registered on the record date in the shareholder register kept by APK and that the meeting resolve on other matters as specified in Article 12 of the company's Articles of Association. Certain effects of the distribution are discussed in section "OM HEX – Financial information".

Recommendations and support

Recommendations from the Board of Directors of HEX

The Exchange Offer

Statement by the the Board of Directors of HEX Plc

On 20 May 2003, the Boards of Directors of OM AB (publ) (the "Offeror") and HEX Plc have approved a combination agreement (the "Combination Agreement") whereby the Offeror will offer for each issued and outstanding share in HEX 2.5 new shares in the Offeror (the "Consideration Shares"). When calculating the exchange offer ratio, a dividend of EUR 2.20 per share (the "Dividend") proposed to be distributed for HEX's financial period 1 January – 30 June 2003 has been taken into account. Pursuant to the Combination Agreement, the Board of Directors of HEX Plc will separately make a proposal for the distribution of the Dividend to a General Meeting of Shareholders of HEX Plc to be convened separately. The obligation of the Offeror to exchange the shares in HEX Plc against the Consideration Shares is subject to the fulfillment of the conditions precedent detailed in the Combination Agreement.

The Board of Directors of HEX Plc has received a written opinion of Mandatum & Co Oy, dated 18 May 2003, to the effect that, as of the date of the opinion and taking into account the Dividend, the exchange offer ratio is fair to the shareholders of HEX Plc (excluding the Offeror). Upon receipt of the said opinion, the Board of Directors has considered the exchange offer and come to the conclusion that the signing of the Combination Agreement and the implementation of the actions related thereto are in the interest of the shareholders of HEX Plc. Therefore, the Board of Directors has approved the Combination Agreement and resolved to recommend that the shareholders of HEX Plc accept the exchange offer.

20 May 2003
HEX Plc
Board of Directors

The Warrant Offer

Statement by the the Board of Directors of HEX Plc

On 20 May 2003, the Boards of Directors of OM AB (publ) (the "Offeror") and HEX Plc have approved a combination agreement (the "Combination Agreement") whereby the Offeror will offer new shares in the Offeror (the "Consideration Shares") in exchange for issued and outstanding shares in HEX Plc. As a part of the exchange offer the Offeror will offer EUR 5.90 for each outstanding warrant ("Warrant") issued pursuant to the warrant program ("Warrant Program") approved by the Extraordinary Shareholders' Meeting of HEX Plc on 2 November 2000. The obligation of the Offeror to exchange the shares in HEX Plc against the Consideration Shares and to acquire the Warrants is subject to the fulfillment of the conditions precedent detailed in the Combination Agreement.

The Board of Directors of HEX Plc has received a written opinion of Mandatum & Co Ltd, dated 16 June 2003, wherein the consideration offered for the Warrants has been reviewed in respect of the terms and conditions of the Warrant Program and its bonus nature. In the opinion, the consideration offered for the Warrants has not been reviewed in respect of the Combination Agreement or the terms and conditions of the exchange offer. Pursuant to the opinion, the consideration offered to the holders of Warrants is from a financial point of view, subject to the assumptions and limitations of the opinion, fair.

The Board of Directors has, subject to the assumptions and limitations in the opinion of Mandatum & Co Ltd and in respect of the terms and conditions of the Warrant Program and its bonus nature, resolved to recommend that the holders of Warrants accept the offer.

16 June 2003
HEX Plc
Board of Directors

The opinions of Mandatum & Co Ltd are attached to this Prospectus (please see "Appendix E – Fairness opinions").

Recommendation from the Board of Directors of OM
The Board of Directors of OM unanimously recommends that the shareholders of OM vote for the necessary resolutions at OM's Extraordinary General Meeting of Shareholders.

Support from principal owners
Shareholders (including OM) representing the majority of the issued and outstanding shares of HEX have expressed their initial support for the combination.

Regulatory Approvals

Competition authorities

Finland
The combination was notified to the Finnish Competition Authority ("**FCA**") on 27 May 2003. The combination was approved by the FCA on 13 June 2003.

Estonia
The combination was notified to the Estonian Competition Board on 27 May 2003. On 13 June 2003 the Estonian Competition Board decided to grant unconditional permission to the combination.

Latvia
A request for opinion was submitted to the Latvian Competition Council on 28 May 2003 requesting the Competition Council to confirm that no obligation to file a merger notice with respect to the combination exists. If an obligation to file a merger notice should be found to exist, the Competition Council has (i) 30 calendar days as of the submission of the merger notice and any additional information requested by the Competition Council in which to decide whether to commence further investigations, and (ii) a further 30 days to complete the review. The time frame may be extended (in principle for an indefinite period of time) by the Competition Council's issuance of a list of additional inquiries to the parties and other participants of the relevant markets. A merger notice will be filed as soon as possible should the Competition Council find that an obligation to file exists. On 19 June 2003, the Competition Council has issued a decision to extend the review of the request for opinion but it did not require a merger notice to be filed. The Competition Council shall have another 30 days to complete the investigation and issue its final decision.

Ownership control

Finland
A notification of the intention of OM to acquire all of the shares of HEX was filed with the FFSA on 10 April 2003. The notification was based on the SMA, the Act on Trading in Standardized Options and Futures and the Act on the Book-entry System. By virtue of a decision dated 19 May 2003, the FFSA notified OM that it does not object to the acquisition of the holding of all of the shares of HEX by OM. Please see also section "OM HEX – Regulatory matters – Ownership control by the FFSA".

Estonia
On 21 May 2003, OM applied for a permit for the acquisition of indirect qualified holding in the share capital of the registrar of the Estonian Central Register of Securities from the Estonian Financial Supervision Authority ("**EFSA**"). In its decision of 18 June 2003, the EFSA granted OM the permission to acquire the said indirect holding of the Estonian Central Register of Securities.

Certain other information

For a summary of the rights attached to the new OM shares to be issued as consideration in the Offer, please see "OM – Shareholders' rights". For further information on the APK-registered OM HEX shares, see "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

For information on the planned listing of the OM HEX shares on Helsinki Exchanges, please see "Listing of OM HEX shares on Helsinki Exchanges".

For information on certain tax considerations in connection with the Offer, please see "Taxation – Swedish tax considerations" and "Taxation – Finnish tax considerations".

For information on certain securities markets considerations in connection with the Offer, please see "Securities markets – Swedish securities markets" and "Securities markets – Finnish securities markets".

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Since most of the information and circumstances currently applicable to OM or HEX, as the case may be, will remain largely unchanged following the combination, reference is made, where appropriate and unless otherwise stated in this section, to the information given on OM and HEX elsewhere in this Prospectus. Therefore, only matters that are characteristic for OM HEX following the Completion of the Offer or which may otherwise materially deviate from the information given in sections "OM" and "HEX" are presented in this section. The information presented in this section is subject to the completion of the combination.

GROUP OVERVIEW

Introduction

The management believes that, formed in the planned combination of OM and HEX, OM HEX will be a leading provider of marketplace services and transaction technology. OM HEX will have two divisions: HEX Integrated Markets and OM Technology.

HEX Integrated Markets will operate Northern Europe's largest securities markets in terms of trading volume. The management believes that OM Technology will be a leading provider of transaction technology to the world's financial and energy markets. Through operational interaction and interchange of competence between the two divisions of OM HEX, the management believes that competitive advantages can be realized both regarding the exchange and technology operations.

In the management's view the combination will create value and benefits for shareholders, issuers, members and investors.

Through the combination, OM HEX will take the initiative towards an integrated Nordic market in listing, trading, clearing, settlement and depository of securities. With more than 80 percent of the total trading turnover in the Nordic market and access to an established and proprietary technology infrastructure, the new entity can invite the other markets to join OM HEX via mergers, expansion of existing co-operations or new co-operations.

Background to and reasons for the combination

Efficient and competitive capital markets are important for securing access to capital and the opportunity for job creation.

Nordic securities markets are medium-sized European markets where securities of global importance are traded. Nordic markets have been successful in compensating for their lack of size with innovation, cost efficiency and competitive fees. In the face of increasing competition, even greater efficiency is vital. Through increased size, exchanges will be able to maintain a competitive offering to the market in order to remain the listing and trading place of choice.

	Exchange	**Value of equity trading 2002 (EUR bn)**
1.	London Stock Exchange	4 228
2.	Euronext	2 084
3.	Deutsche Börse	1 280
4.	Spanish Exchanges (BME)	690
5.	Italian Exchange	670
6.	SWX Swiss Exchange (incl. Virt-X)	653
	Stockholmsbörsen + Helsinki Exchanges	**485**
7.	Stockholmsbörsen	296
8.	Helsinki Exchanges	189
9.	Oslo Børs	59
10.	Copenhagen Stock Exchange	54

Source: The Federation of European Securities Exchanges (FESE).

Disregarding cyclical downturns, the management believes that assets directed to the equity markets are likely to increase in the western countries in the foreseeable future. Management also expects that larger markets will retain a larger portion of the available assets and subsequently grow even larger.

The Nordic securities markets share several important values, structures and participants. They also share a common culture, similar legislation and similar rulebooks. The community might therefore request better integration between the Nordic markets in order to increase the efficiency of the markets, especially in the fields of clearing, settlement, safekeeping and custody.

The majority of the large Nordic banks and brokers have a pan-Nordic strategy. A higher level of integration enables banks and brokers to centralize their own operations. This combination is the first step towards speeding up the integration of the Nordic market.

The consolidation trend is strong among banks and brokers, resulting in mergers aimed at increasing cost efficiency. For Nordic as well as international banks and brokers, the cost of developing and maintaining technical as well as legal interfaces to the central systems of several markets is becoming increasingly important to the profitability of their securities operations. For banks and brokers operating on the Nordic market, a combination between OM and HEX is, in the management's view, expected to decrease their operating costs as, following the planned combination, only one interface will be required to trade on the Finnish as well as the Swedish markets.

As consolidation takes place through cross-border mergers between large Nordic and non-Nordic companies, it is becoming increasingly important to maintain a competitive offering to the market in order to remain the listing place of choice. The management believes that OM HEX will be in an improved position to offer competitive services and products requested by customers.

IT related costs generally represent a majority of the cost base of a marketplace. These costs can be considerably reduced if the development, maintenance and operation of the IT systems are shared between marketplaces. Central system operators, like exchanges, clearing houses and CSDs, can address this by working towards integrated Nordic markets, thus reducing the number of interfaces needed and ceasing to invest in duplicate systems. The combination between OM and HEX is the first step towards an integrated Nordic and Baltic market and the management believes that it will, on its own, also bring considerable cost savings in the form of joint operation and development as well as to its members in the form of a reduced number of interfaces.

Based on a common view on the market development, HEX's and OM's key reason for the combination is to improve long-term competitiveness within the combined exchange and technology operations.

The management believes that the combination will strengthen OM HEX's exchange operations by creating a larger, more attractive, combined market and increasing liquidity. In addition, the exchange operations can be further strengthened by the implementation of integrated and more efficient technology infrastructure based on OM Technology's existing proprietary platforms.

The management also believes that the combination will strengthen OM HEX's technology operations by creating a larger domestic market and increased opportunities to operate and develop systems solutions for exchanges and CSDs. OM Technology will provide HEX with the trading platform SAXESS™ and intends to provide HEX with the CSD platform EXIGO CSD™, extending its home market horizontally (cross-border) as well as vertically (along the transaction chain). A large domestic market will benefit technology operations by increasing proximity to the demands of the market. The combination will result in one of OM Technology's largest orders to date.

In summary, the management believes that the combination will bring positive effects for:

- **Shareholders,** by creating a more profitable company with higher return to shareholders through synergies on both the cost and revenue sides.
- **Issuers,** by bringing increased liquidity, more members, higher international attention and new investor segments.
- **Members,** by bringing increased liquidity, harmonized markets, more efficient member access, a broader service range and lower costs when connecting to Nordic markets. In addition the combination will enable new product development of international interest such as new Nordic indices.
- **Nordic and international investors,** who will benefit from improved liquidity and customer offerings.

BUSINESS DESCRIPTION

Vision and strategy

OM HEX' s vision is to create value for shareholders and customers by providing the world's most efficient market solutions and services. As a knowledge-based company, OM HEX aims at leveraging on its core competence in operating marketplaces, as well as developing and operating transaction technology. OM HEX's strategy and business model will comprise different levels of operation and service involvement, and will range all the way from owning and operating transaction related businesses, such as exchanges and CSDs, to the development and delivery of systems solutions and facility management services.

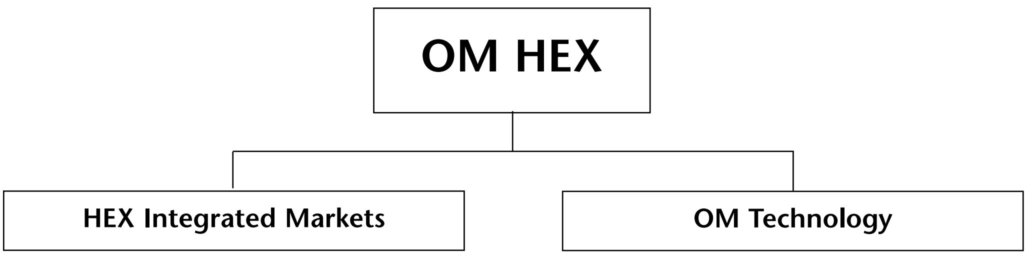
The vision of the HEX Integrated Markets division is to continuously seek growth and improve profitability by providing the most liquid market for all the securities which are traded on the exchanges of HEX Integrated Markets and the best and most cost efficient processes available for trading and post-trading operations for customers. The HEX Integrated Markets division, comprising HEX's current stock exchange and CSD operations and Stockholmsbörsen, will offer investors access to 80 percent of the Nordic equity market and 75 percent of the Baltic equity markets. In addition, the management believes that a possible further consolidation within the Nordic and Baltic markets will provide even better opportunities for reaching the vision. The management believes that HEX Integrated Markets will be the ideal promoter of Nordic and Baltic consolidation and will have the possibility to invite other marketplaces and CSDs to join. The vision is that HEX Integrated Markets ultimately shall reach beyond local or regional markets in its long-term vision of providing services to the international market participants.

For the OM Technology division, the vision is to be the leading provider of transaction technology and outsourcing services to companies in the financial and energy markets through creating the world's most efficient market solutions. OM Technology's strategy is to continue to build on its international brand as a leading transaction technology provider, offering products, solutions and services on a global basis for exchanges, clearing houses, CSDs, banks and brokerage firms as well as participants on the energy markets. Within its outsourcing business targeted towards banks and brokers, OM Technology will develop its Nordic strategy further and broaden its operations to be able to provide sufficient economies of scale.

Organization

OM HEX AB will form the Parent Company of the new Group. The current organization chart of the OM group has been presented on page 199 of this Prospectus (please see "Appendix A – Financial information – OM – Organization chart"). Subject to and following the Completion of the Offer and the Compulsory Acquisition, HEX Plc will become a fully-owned subsidiary of OM AB. The current organization chart of the HEX group has been presented on page 230 of this Prospectus (please see "Appendix B – Financial information – HEX – Organization chart"). .

OM HEX will base its operations on two divisions: HEX Integrated Markets and OM Technology. The legal, corporate and organizational structure of OM HEX and its two divisions will be formed during 2003.



The corporate headquarters and registered office of OM HEX will be in Stockholm, Sweden. OM HEX's corporate language will be English. OM HEX had 2,003 employees in 13 countries as of 31 May 2003 (pro forma).

OM HEX AB

The Parent Company will have the overall strategic responsibility for the OM HEX Group. OM HEX will have certain group functions, including finance, human resources, treasury, legal, investor relations, communications and branding. Strategic and other significant decisions are to be taken at the group level.

HEX Integrated Markets

At completion, the HEX Integrated Markets division will comprise Stockholmsbörsen and HEX's marketplace related operations, including the Finnish, Estonian and Latvian exchanges and CSDs. The division will also administrate the partnerships and co-operation arrangements with EDX London, Eurex, Norex and Euronext. The intention is, at a later stage, to reorganize the division into functional business areas.

The division will offer investors access to approximately 80 percent of the Nordic equity market and approximately 75 percent of the Baltic equity market. HEX Integrated Markets had as of 31 May 2003 (pro forma) a total of 500 listed companies, whereof 45 companies among STOXX 600. HEX Integrated Markets will be one of the leading European exchanges with regard to the Technology sector, as well as in the Basic Resources, Industrial Goods & Services, Non-cyclical Goods & Services and Retail sectors. HEX Integrated Markets had 106 members as of 31 May 2003 (pro forma). Pro forma, HEX Integrated Markets' market capitalization amounted to approximately SEK 3,200 billion (EUR 350 billion) as of year-end 2002 and the average daily turnover was close to SEK 18 billion (EUR 2 billion) during 2002.

The division had 2002 pro forma revenues (including internal sales) of approximately SEK 1,820 m (EUR 199 m) and 402 employees as of 31 May 2003 (pro forma).

Following the completion of the combination, it is intended that the headquarters of HEX Integrated Markets will be in Helsinki, Finland.

OM Technology

The OM Technology division will be organized according to the current structure of OM Technology (taking into account the recent resolution by OM to restructure and consolidate its energy market business) in the following three business areas: Banks & Brokers, Financial Markets and Global Services. Please see "OM – Financial Summary – Events subsequent to the interim report", "OM – Group overview" and "OM – Technology operations" for further information. Following the integration, HEX's back-office outsourcing services will be combined with the Banks & Brokers business area in order to strengthen the service offering. Furthermore, HEX's IT operations will be integrated into OM Technology and mainly divided between the Financial Markets and Global Services business areas.

The OM Technology division had 2002 pro forma revenues (including internal sales) of approximately SEK 2,060 m (EUR 225 m) and 1,453 employees as of 31 May 2003 (pro forma). OM Technology will have more than 300 customers, including 25 exchanges and clearing organizations, and offices in 11 countries.[1]

Following the completion of the combination, the headquarters of OM Technology will be in Stockholm, Sweden.

Branding

The proposed name for the new Group is OM HEX. The new division for the Group's transaction business will be branded HEX Integrated Markets. However, Stockholmsbörsen and Helsinki Exchanges, to be renamed Helsingin Pörssi, will continue to operate and market their services under these brands. The OM Technology division will continue to operate under the existing OM brand.

[1] Please see "OM – Financial summary – Events subsequent to the interim report" for information on estimated redundancies and the concentration of OM's operations to fewer offices as a result of the implementation of OM's cost reduction program.

INTEGRATION PROCESS

Estimated timeframe of integration process

The integration between HEX's Finnish operations and OM is planned to be implemented in four parts, which will partially take place simultaneously up to and including 2006.

- The corporate and organizational structure of OM HEX and its two divisions will be formed during 2003.
- HEX Integrated Markets will form a virtually integrated exchange trading market between Sweden and Finland. This will include the implementation of the SAXESS™ trading platform at Helsinki Exchanges, and the harmonization of rules, regulations and listing criteria to the furthest extent possible with the objective of achieving the best standards and transparency.
- HEX Integrated Markets will promote the establishment of a joint Nordic CCP for the equity market. CCP will reduce counterparty risks, allow netting of delivery obligations and enable scope for anonymous trading. Netting reduces settlement costs and enhances liquidity in the equity market. CCP is important to secure the long-term competitive strength of the region's financial markets.
- HEX Integrated Markets will promote a joint Nordic platform for the settlement and depository of securities. The target is to create centralized operation and maintenance, centralized functional and technological development and to use a common settlement engine for participating CSDs on the Northern European market. The intention is to utilize OM Technology's EXIGO CSD™ platform.

The decisions concerning the integration of platforms will be based on various factors, including consultation with market participants.

The level of integration and schedule for HEX's operations in Estonia and Latvia will be defined separately after the completion of the combination.

Human resources and remuneration

General

Following completion of the combination and based on figures as of 31 May 2003 (pro forma), OM HEX will have 2,003 employees of which 402 work within the HEX Integrated Markets division, 1,453 within the OM Technology division and 148 in the Parent Company. Around 56 percent of the personnel will be employed in Sweden, 19 percent in Finland, 16 percent in the rest of Europe, 6 percent in North America and 3 percent in the Asia-Pacific region.[1]

OM HEX will be a knowledge-based group where the collective knowledge and experience of its employees will represent a very important asset. OM HEX will through implementing different types of competence developing programs as well as competitive remuneration seek to attract and retain skilled employees.

It is planned that the remuneration program of OM HEX will materially follow the program currently used by OM where the remuneration comprises a number of parts, including fixed salary as the largest part, a discretionary bonus to reward individual performance and the possibility to participate in long-term incentive programs (see "OM – Shares, share capital and shareholder structure – Incentive schemes – Remuneration program").

Furthermore, it is the intention to issue warrants to key employees of OM HEX under a warrant program in order to increase focus on shareholder value in relation to growth and profitability. Please see sections "The Offer – Other matters relating to the Offer – Corporate decisions – OM", "OM HEX – Shares, share capital and shareholder structure – Incentive schemes" and "OM HEX – Board of Directors, Executive Committee and auditors – Remuneration".

Implementation of the OM HEX organization will require certain restructuring. This restructuring will be carried out keeping in mind that knowledge and capabilities are the most important resources of the combined Group. However, the need for greater efficiency and lower costs can only be satisfied by the removal of duplicate functions resulting in inevitable redundancies.

Please see sections "OM HEX – Synergies and restructuring costs", "OM – Operations and business areas – Employees" and "HEX – Operations and business areas – Employees" for more information. Please see also "OM – Financial summary – Events subsequent to the interim report" for information on estimated redundancies as a result of the implementation of OM's cost reduction program.

[1] Please see "OM – Financial summary – Events subsequent to the interim report" for information on estimated redundancies and the concentration of OM's operations to fewer offices as a result of the implementation of OM's cost reduction program.

Integration bonus

OM has offered an integration bonus to key employees in OM and HEX who are of major importance for the successful integration of OM and HEX. In total, it is estimated that there are about 50 such key employees. The integration bonus shall only be paid if the key employee in question has achieved clearly defined and measurable, as well as challenging and significant goals for the integration of OM and HEX. The integration bonus to be paid out shall not in aggregate exceed SEK 35.0 m (EUR 3.8 m) and shall be paid in two installments as set out below. However, if envisaged annual cost savings do not exceed SEK 180 m (EUR 20 m), the aggregated integration bonus will be limited to SEK 15.0 m (EUR 1.6 m) (for further details see below). No individual shall in aggregate receive more than 100 percent of his or her annual base salary for 2003. However, no integration bonus shall be paid to the Acting President and CEO and four other key members of the executive management of OM HEX.

The integration bonus is dependent upon a) that adequate and necessary actions are implemented in order to achieve the realization of envisaged annual cost savings for OM HEX ("**Envisaged Cost Savings**"), according to pre-determined and measurable targets established by the Board of Directors of OM HEX and reviewed by OM HEX's auditors, and b) the level of Envisaged Cost Savings according to the following thresholds:

A. Evaluated, by the Board of Directors and confirmed by the auditors, and paid 9 months following the Completion of the Offer:
   - (i) Envisaged Cost Savings of up to and including SEK 100 m (EUR 11 m), no integration bonus will be paid;
   - (ii) Envisaged Cost Savings exceeding SEK 100 m (EUR 11 m) and up to and including SEK 180 m (EUR 20 m), an integration bonus of an aggregated maximum of SEK 7.5 m (EUR 0.8 m) (linear relationship) will be paid; or
   - (iii) Envisaged Cost Savings exceeding SEK 180 m (EUR 20 m), an integration bonus of SEK 7.5 m (EUR 0.8 m) will be paid.

B. Evaluated, by the Board of Directors and confirmed by the auditors, and paid 21 months following the Completion of the Offer:
   - (iv) Envisaged Cost Savings of up to and including SEK 100 m (EUR 11 m), no integration bonus will be paid;
   - (v) Envisaged Cost Savings exceeding SEK 100 m (EUR 11 m) and up to and including SEK 180 m (EUR 20 m), an integration bonus of an aggregated maximum of SEK 15.0 m (EUR 1.6 m) (linear relationship) less any amount paid in (ii) or (iii), will be paid;
   - (vi) Envisaged Cost Savings exceeding SEK 180 m (EUR 20 m) and up to and including SEK 250 m (EUR 27 m), an integration bonus of an aggregated maximum of SEK 15.0 m (EUR 1.6 m) to 35.0 m (EUR 3.8 m) (linear relationship) less any amount paid in (ii) or (iii), will be paid; or
   - (vii) Envisaged Cost Savings exceeding SEK 250 m (EUR 27 m), an integration bonus of SEK 35.0 m (EUR 3.8 m) less any amount paid in (ii) or (iii), will be paid.

Corporate governance

Board of Directors of OM HEX

It is the intention that the Nominating Committee of OM propose to the shareholders of OM that the following persons be elected as members of the Board of Directors of OM HEX subject to and with effect from the Completion of the Offer: Adine Grate Axén, Gunnar Brock, Thomas Franzén, Bengt Halse, Timo Ihamuotila, Tarmo Korpela, Mikael Lilius, Markku Pohjola and Olof Stenhammar. It is the intention that Olof Stenhammar be appointed Chairman of the Board of Directors. For further information on the proposed members of the Board of Directors, please see section "OM HEX – Board of Directors, Executive Committee and Auditors – Board of Directors".

OM and HEX have agreed on the following principles regarding the structure and composition of the Board of Directors of OM HEX:

- The number of directors is proposed to be nine but the Articles of Association shall allow nominating from five up to twelve directors.
- The seats of potential employee representatives as may be required by the applicable legislation shall well reflect the breakdown of the geographical locations of the Group.
- If a further consolidation takes place, the composition and structure of the Board of Directors shall be amended accordingly, if needed, in order to reflect the revised representation of the shareholders.

It is the intention that similar principles shall be applied with regard to the appointment of the members of the Board of Directors in the future. The Chairman of the Board of Directors of OM HEX shall among the major shareholders of OM HEX decide the composition of the Nominating Committee. The composition and structure of the Nominating Committee shall reflect the representation and geographical location of the shareholders at a given time. The

Nominating Committee shall each year, in preparation for the Annual General Meeting of Shareholders of OM HEX, call for a meeting and propose and recommend to the General Meeting of Shareholders individuals to be appointed as members of the Board of Directors. During the fourth quarter of each year, the composition of the Nominating Committee shall be announced.

It is the intention that during the integration process, an integration committee consisting of members of the Board of Directors of OM HEX will be established.

Committees

It is planned that, following the current practice of OM, there will be two committees directly subordinated to the Board of Directors of OM HEX: an Auditing Committee and a Remuneration Committee.

The role of the Auditing Committee will be to assist the Board of Directors in matters involving external and internal financial control issues. Its tasks will consist of, *inter alia,* maintaining continuous contact with both auditors and the group controller, drawing up internal audit routines and ensuring that the recommendations, conclusions, observations and proposals of auditors and controllers, made upon completion of the audit process, are adhered to. OM HEX will have an internal audit function reporting to the Auditing Committee. The role of the function is to secure and improve routines and processes, including corporate risk management.

The role of the Remuneration Committee will be to assist the Board of Directors in certain matters involving salaries and remuneration, including preparing for Board resolutions on salary and other remuneration for certain persons within the executive management. In addition, it will propose remuneration for the members of the Board of Directors within those Group companies indicated specifically by the Board of Directors, and also propose principles for salaries, salary benefits and other remuneration for the OM HEX employees.

Both committees will regularly present progress reports to the Board of Directors of OM HEX. The Board of Directors of OM HEX will nominate the members of both committees following the Completion of the Offer.

For information on the current committees of OM, please see section "OM – Board of Directors, Management team and auditors – Board of Directors – Committees".

Executive Committee of OM HEX

The Board of Directors of OM HEX shall appoint a President and Chief Executive Officer ("**CEO**") for OM HEX.

Pursuant to the Combination Agreement, it is proposed that the Board of Directors of OM HEX appoint Magnus Böcker (currently Acting President and CEO of OM as of 1 June 2003) as Acting President and CEO for OM HEX. The Executive Committee of OM HEX will consist of Magnus Böcker and Jukka Ruuska.

The CEO shall be the Chairman of the Board of Directors of HEX Integrated Markets and OM Technology. The Chairman of the Board of Directors of HEX Integrated Markets and OM Technology shall have a casting vote. The CEO shall in particular be responsible for the Group's strategy and the day-to-day management of OM HEX in accordance with the instructions given by the Board of Directors of OM HEX.

Boards of Directors of HEX Integrated Markets and OM Technology

The Board of Directors of OM HEX shall appoint the Board of Directors of both divisions in accordance with applicable mandatory Finnish or Swedish legislation (as the case may be). The structure and composition of the Board of Directors of the respective divisions shall follow the principles below:

- The number of members of the Board of Directors for HEX Integrated Markets shall be eight, but the Articles of Association shall allow nominating up to nine directors.
- The number of members of the Board of Directors for OM Technology shall be five, but the Articles of Association shall allow nominating up to nine directors.
- Both divisions' Boards of Directors will, when applicable, also be the Boards of Directors for the relevant division's subsidiaries, or if not applicable, nominate the Boards of Directors of the division subsidiaries to the extent possible.

The following persons are proposed as members of the Boards of Directors of HEX Integrated Markets and OM Technology, respectively:

HEX Integrated Markets	OM Technology
Magnus Böcker (Chairman)	Magnus Böcker (Chairman)
Ilona Ervasti-Vaintola	Ulf Gundemark
Thomas Franzén	Bengt Halse
Matti Kinnunen	Jukka Ruuska
Bo Magnusson	Ilkka Salonen
Timo Ritakallio	
Jukka Ruuska	
Bengt Rydén	

The Boards of Directors of the respective divisions shall be elected without delay following the date when the election of the new Board of Directors of OM HEX has become effective.

Division level executive management

The Board of Directors of each division shall appoint a President for the division. Each President shall establish a management team for the respective division. Jukka Ruuska (currently President and CEO of HEX) is proposed as President of the HEX Integrated Markets division and deputy to Magnus Böcker. Klas Ståhl is proposed as Acting President of the OM Technology division. Kerstin Hessius is proposed to become the deputy to Jukka Ruuska and to continue as the President of Stockholmsbörsen.

The operations of the divisions will be organized into business areas. The division into the business areas does not necessarily follow the legal structure of a division.

It is the intention that special attention shall be given to the nomination of the listing and disciplinary committees of the exchanges in different countries, as there will be a need for local committees in each of the exchanges. The procedure for the nomination of members to these committees will follow the applicable local legislation, as well as the rules and regulations of the respective exchanges.

Synergies and restructuring costs

The combination is expected to create significant synergies, primarily in the form of cost and capital expenditure savings. Cost and capital expenditure savings are expected to derive mainly from the transaction related operations in the Nordic area. In addition to cost and capital expenditure savings, OM and HEX expect to achieve revenue synergies, through, *inter alia,* the introduction of new products and a general increase in the marketplaces' attractiveness, although such revenue synergies have not been quantified.

Total cost and capital expenditure savings of SEK 180 m (EUR 20 m) per annum pre-tax have been estimated and are expected to accrue as integration and current investment plans are carried out. Identified savings are expected to be realized in full within three years following Completion of the Offer.

The main areas where cost and capital expenditure savings have been identified include:

- Implementation of OM's technology at HEX, including SAXESS™ and EXIGO CSD™. By using common central system platforms considerable efficiency gains will be realized within operational as well as development functions. In total, savings from technology harmonization including joint operation are expected to generate annual savings of operating expenses of approximately SEK 110 m (EUR 12 m) and capital expenditures of approximately SEK 45 m (EUR 5 m).
- Enhanced efficiency within administrative functions, including marketing, finance and general administration. In total, annual savings within administrative functions are expected to amount to approximately SEK 20 m (EUR 2 m), primarily within personnel expenses.

During a three-year period following the combination, the total number of existing positions within the Group is expected to decrease. The magnitude of the effects on personnel will depend on, *inter alia*, the achieved growth during the period.

In addition to the quantified cost savings above, the combination is likely to create cost saving opportunities and lower the business risk in the implementation of future investments in the development of the market structure, such as the introduction of CCP for the cash equity market. Furthermore, it is the management's belief that the integration will lead to possibilities for rationalization with regard to capital requirements in clearing operations.

Total restructuring costs (excluding transaction related expenses and write-downs) resulting from the combination are expected to amount to approximately SEK 160 m (EUR 17 m) primarily during 2003-2004. The majority of the restructuring costs are related to the elimination of overlapping functions, organizational restructuring and harmonization of technology. In connection with the exchange of control date, write-downs of existing HEX assets due to the harmonization of technology platforms are estimated to be approximately SEK 80 m (EUR 9 m). Furthermore, an integration bonus could be paid to key employees at a maximum amount of SEK 35 m (EUR 4 m) (of which only SEK 15 m will be paid if the cost savings do not exceed SEK 180 m) or about SEK 50 m (EUR 5 m) including social security costs (please see section "OM HEX – Integration process – Human resources and remuneration – Integration bonus"). In addition, total transaction expenses related to the combination are expected to amount to approximately SEK 70 m (EUR 8 m), including a possible transfer tax. The total restructuring and transaction costs of around SEK 360 m (EUR 39 m) will to a large extent be included in the acquisition cost or the restructuring reserve and consequently increase goodwill.

Financial objectives and dividend policy

OM HEX's primary objective will be to create long-term shareholder value through creating value for customers, employees and other interested parties of OM HEX. OM HEX shall aim at creating profitable growth with returns exceeding the markets' required rate of return.

OM HEX shall follow a dividend distribution policy whereby dividends are paid in line with the Company's long-term earnings trend and capital requirements.

Financial reporting

OM will publish the interim report for the period January – June 2003 on 16 July 2003. HEX will publish results for the financial period of January – June 2003 on 5 August 2003.

The interim report for OM HEX for the period January – September 2003 is planned to be published in October 2003. The publication date will be announced later.

The official reporting currency of OM HEX will be SEK. Following listing on Helsinki Exchanges, OM HEX also intends to publish financial information in euro. OM HEX will publish its annual accounts, account statements and interim reports prepared in accordance with Swedish laws and regulations. For further information on the disclosure requirements, see "Listing of OM HEX shares on Helsinki Exchanges – Information about OM HEX".

FINANCIAL INFORMATION

Unaudited condensed pro forma consolidated financial information

General principles

The following unaudited condensed pro forma consolidated financial statements give effect to the combination of OM and HEX and the related issuance of OM shares assuming that 100 percent of the HEX shares will be tendered in exchange for new OM shares and that 100 percent of the HEX Warrants will be tendered in exchange for cash. For accounting purposes, the combination will be accounted for as an acquisition of HEX by OM using the purchase method. The final combination of OM and HEX will be calculated based on the transaction value and the fair values of HEX's identifiable assets and liabilities at the date of exchange of control. Therefore, the actual goodwill amount, as well as other balance sheet items, could differ from the preliminary unaudited condensed pro forma consolidated financial statements presented herein, and in turn affect items in the preliminary unaudited condensed pro forma consolidated income statement, such as goodwill amortization and income taxes. The unaudited condensed pro forma consolidated income statements for the year ended 31 December 2002 and for the three months ended 31 March 2003 give effect to the combination as if the transaction had occurred on 1 January 2002. The unaudited condensed pro forma consolidated balance sheet as of 31 March 2003 gives effect to the combination as if the transaction had occurred on 31 March 2003.

OM has presented these unaudited condensed pro forma consolidated financial statements for illustrative purposes only. The unaudited condensed pro forma consolidated financial statements are not necessarily indicative of the actual results of operations or financial position that would have occurred had the combination occurred on the dates indicated, nor are they necessarily indicative of future operating results or financial position. A preliminary restructuring reserve of about SEK 160 m (EUR 17 m) has been included in the purchase price allocation[1]. However, no account has been taken within the unaudited condensed pro forma consolidated financial statements of any synergy effects that may, or may be expected to, occur following the Offer. In these unaudited condensed pro forma consolidated financial statements, no account has been taken of OM's recent decision to restructure its technology operations or the completion of the formation of EDX London. For further information on these matters and for a discussion on the estimated effects thereof, please see "OM – Financial summary – Events subsequent to the interim report".

The unaudited condensed pro forma consolidated financial statements are based on the historical financial statements of OM and HEX, which are prepared in accordance with Swedish GAAP and Finnish GAAP, respectively. Finnish GAAP differs in some respects from Swedish GAAP. The financial information for HEX has not been restated to reflect accounting principles applied by OM, since the performed comparison of accounting principles indicates that the impact is not significant. See also "Listing of OM HEX shares on Helsinki Exchanges – Information about OM HEX – Disclosure obligation of OM HEX in Finland".

These unaudited condensed pro forma consolidated financial statements are only a summary and should be read in conjunction with the historical consolidated financial statements and related notes of OM and HEX and other information included or incorporated by reference in this document.

[1] In addition to the restructuring reserve, approximately SEK 150 m (EUR 16 m) in transaction costs and write-downs have been included in the purchase price allocation (see also "OM HEX – Integration process – Synergies and restructuring costs").

UNAUDITED CONDENSED PRO FORMA CONSOLIDATED INCOME STATEMENT, 2002

	OM	HEX				PRO FORMA CONSOLIDATED OM HEX	
(millions)	Swedish GAAP (SEK)	Finnish GAAP (SEK)	Adjustment of pre-combination events,etc (SEK)	Adjusted Finnish GAAP (SEK)	Pro forma adjust-ment Swedish GAAP (SEK)	Swedish GAAP (SEK)	(EUR)
	Note 1	Note 2	Note 3		Note 4		Note 5
Total revenues	**2 637**	**850**		**850**		**3 487**	**381**
Personnel expenses	-1 154	-244		-244		-1 398	-153
Other operating expenses	-1 015	-281		-281		-1 296	-142
Depreciation	-190	-70		-70		-260	-28
Depreciation of goodwill	-129	-5		-5	-71 [a]	-205	-22
Items affecting comparability	-57	-2		-2		-59	-6
Associated companies	38	-		-		38	4
Operating income	**130**	**249**		**249**	**-71**	**308**	**34**
Financial items	-31	11	-6 [a]	5	-19 [b]	-45	-5
Income after financial items	**99**	**260**	**-6**	**254**	**-90**	**263**	**29**
Tax	-15	-77	2 [a]	-76		-91	-10
Minority interest	0	1		1		1	0
Net income	**84**	**183**	**-4**	**179**	**-90**	**173**	**19**

UNAUDITED CONDENSED PRO FORMA CONSOLIDATED INCOME STATEMENT, JANUARY – MARCH 2003

	OM	HEX				PRO FORMA CONSOLIDATED OM HEX	
(millions)	Swedish GAAP (SEK)	Finnish GAAP (SEK)	Adjustment of pre-combination events,etc (SEK)	Adjusted Finnish GAAP (SEK)	Pro forma adjust-ment Swedish GAAP (SEK)	Swedish GAAP (SEK)	(EUR)
	Note 1	Note 2	Note 3		Note 4		Note 5
Total revenues	**612**	**202**		**202**		**814**	**89**
Personnel expenses	-299	-64		-64		-363	-39
Other operating expenses	-224	-64		-64		-288	-31
Depreciation	-42	-15		-15		-57	-6
Depreciation of goodwill	-33	-1		-1	-18 [a]	-52	-6
Items affecting comparability	-	-		-		-	-
Associated companies	8	-		-		8	1
Operating income	**22**	**58**		**58**	**-18**	**63**	**7**
Financial items	-11	0	-1 [a]	-2		-13	-1
Income after financial items	**11**	**58**	**-1**	**57**	**-18**	**50**	**5**
Tax	-3	-17	0 [a]	-17		-20	-2
Minority interest	0	0		0		0	0
Net income	**8**	**40**	**-1**	**39**	**-18**	**30**	**3**

UNAUDITED CONDENSED PRO FORMA CONSOLIDATED BALANCE SHEET, 31 MARCH 2003

	OM	HEX				PROFORMA CONSOLIDATED OM HEX	
(millions)	Swedish GAAP (SEK)	Finnish GAAP (SEK)	Adjustment of pre-combination events,etc (SEK)	Adjusted Finnish GAAP (SEK)	Pro forma adjust-ment Swedish GAAP (SEK)	Swedish GAAP (SEK)	Swedish GAAP (EUR)
	Note 1	**Note 2**	**Note 3**		**Note 4**		**Note 5**
Goodwill	862	18		18	1 419 [a]	2 299	249
Other intangible assets	379	140	-50 [d]	90		469	51
Tangible fixed assets	462	73	-30 [d]	43		505	55
Financial fixed assets	845	5		5	-72 [a]	777	84
Other current assets	1 183	259	10 [d,e]	269	46 [a]	1 498	162
Short-term investments and cash & bank	1 168	617	-508 [b,c,f]	109	-41 [a,b]	1 236	134
Total assets	**4 899**	**1 112**	**-578**	**533**	**1 352**	**6 784**	**734**
Shareholders' equity	1 938	696	-298 [c,d,e]	398	1 156 [a,b]	3 492	378
Minority interest	–	10		10		10	1
Provisions	104	1		1	160 [a]	265	29
Long-term liabilities	258	2		2		260	28
Short-term liabilities	2 599	404	-280 [b,e,f]	123	36 [a]	2 758	298
Total equity and liabilities	**4 899**	**1 112**	**-578**	**533**	**1 352**	**6 784**	**734**

UNAUDITED PRO FORMA KEY FIGURES (NOTE 6)

(millions)	OM	HEX	PRO FORMA CONSOLIDATED OM HEX	
	Swedish GAAP (SEK)	Finnish GAAP (SEK)	Swedish GAAP (SEK)	(EUR)
	Note 1	Note 2		Note 5
January – December 2002 and as of 31 December 2002				
Number of shares	84.0	13.5	112.5	112.5
Number of shares, after full conversion	84.8	13.5	113.2	113.2
Earnings per share, SEK/EUR	1.00	13.57	1.54	0.17
Earnings per share, after full conversion, SEK/EUR	1.00	13.57	1.53	0.17
Operating margin before depreciation, %	18	38	23	23
Operating margin, %	5	29	9	9
Return on capital employed, %	6	35	7*	7*
Return on total capital, %	5	18	6*	6*
Return on equity, %	4	25	5*	5*
Cash flow from operations	265	176	441	48
Investments (net)	-158	-115	-273	-30
Employees, end of period	1 620	449	2 069	2 069
January – March 2003 and as of 31 March 2003				
Number of shares	84.0	13.5	112.5	112.5
Number of shares, after full conversion	84.8	13.5	113.2	113.2
Earnings per share, SEK/EUR	0.09	3.00	0.26	0.03
Earnings per share, after full conversion, SEK/EUR	0.09	3.00	0.26	0.03
Operating margin before depreciation, %	15	37	20	20
Operating margin, %	4	29	8	8
Return on capital employed, %	4	32	5*	5*
Return on total capital, %	3	22	5*	5*
Return on equity, %	2	22	3*	3*
Cash flow from operations	-83	62	-21	-2
Investments (net)	-65	-16	-81	-9
Interest-bearing net debt	997**	-617	929	100
Equity per share, SEK/EUR	23.06	51.63	31.05	3.36
Equity/assets ratio, %	40	63	52	52
Net debt/equity ratio, %	51	-87	27	27
Employees, end of period	1 608	423	2 031	2 031

* Calculated on balance sheet data as of 31 March 2003.

** The interest-bearing net debt level was unusually high at 31 March 2003, mainly explained by a temporary increase in receivables within Stockholmsbörsen's clearing operations of over SEK 200 m.

Notes to the unaudited condensed pro forma consolidated financial statements

Note 1: Historical financial statements of OM

These columns reflect OM's historical consolidated income statements for the year ended 31 December 2002 and for the three months ended 31 March 2003 and balance sheet as of 31 March 2003, prepared and presented in accordance with Swedish GAAP. The income statement for the year ended 31 December 2002 represents Continuing operations, i.e. excluding Discontinued operations. Please see "Appendix A – Financial information – OM – Income statement (with operations under closure shown separately)".

Note 2: Historical financial statements of HEX

These columns reflect HEX's historical consolidated income statements for the year ended 31 December 2002 and for the three months ended 31 March 2003 and balance sheet as of 31 March 2003, prepared and presented in accordance with Finnish GAAP.

Certain reclassifications have been made to HEX's income statement to conform to the presentation format in these unaudited condensed pro forma consolidated financial statements. Such reclassifications have no impact on Income after financial items or Net income. No reclassifications have been made to HEX's balance sheet.

HEX prepares its consolidated financial statements in accordance with Finnish GAAP, which differs in certain respects from Swedish GAAP. However, the financial information for HEX has not been restated to reflect accounting principles applied by OM, since the performed comparison of accounting principles indicates that the impact is not significant.

HEX presents its financial statements in euro. For the purpose of these unaudited condensed pro forma consolidated financial statements, HEX's income statements and balance sheet have been translated into SEK at the following exchange rates:

	SEK/EUR
Income statement for the year ended 31 December 2002: average exchange rate for the year	9.1487
Income statement for the three months ended 31 March 2003: average exchange rate for the three months	9.1964
Balance sheet as of 31 March 2003: Exchange rate as of 28 March 2003	9.2480

Note 3: Adjustments of pre-combination events

For the purposes of preparing the unaudited condensed pro forma consolidated financial statements, HEX's historical financial statements have been adjusted for certain events that have occurred or are expected to occur after 31 March 2003 and before the date of exchange of control. Those adjustments that have a material effect are as follows. The euro-denominated adjustments have been converted into SEK using the exchange rates in Note 2 above.

a) Interest income effect

Estimation of the interest income effect from a lower net cash level as a result of the extra dividend. The related tax effect is estimated at 29 percent.

b) Ordinary dividend

Adjustment of the ordinary dividend of EUR 1.00 per share, corresponding to SEK 125 m (EUR 13 m). The ordinary dividend was paid on 2 April 2003. In the HEX accounts as of 31 March 2003 the dividend is entered as a liability.

c) Extra dividend

Adjustment of the extra dividend of EUR 2.20 per share, corresponding to SEK 274 m (EUR 30 m). The extra dividend will be paid in connection with completion of the combination.

d) Write-down

Estimated adjustments of the value of HEX's tangible and intangible assets, as a consequence of the combination, is SEK 80 m (EUR 9 m), with a 29 percent deferred tax receivable of SEK 23 m (EUR 3 m). These amounts could be changed in the final purchase price allocation.

e) Settlement of HEX's warrant program

In line with the Warrant Offer, all holders of HEX Warrants of Series A, B, C and D are offered EUR 5.90 in cash per warrant from OM. Warrant related reserves in HEX's balance sheet have been adjusted accordingly including the related tax effect. However, no adjustment has been made in the income statement for costs associated with the warrant program.

f) *VAT repayment*
Repayment of VAT to HEX members of SEK 109 m (EUR 12 m). The VAT was paid on 30 April 2003.

The above list is not exhaustive, and there may be other adjustments that need to be considered at the date of exchange of control.

Note 4: Pro forma adjustments

a) *Purchase method of accounting*
Under the purchase method of accounting, OM will allocate the total purchase price to HEX's assets and liabilities based on their fair values. The remaining unallocated purchase price will be recorded as goodwill. The allocation reflected herein is subject to completion of valuations as of the date of exchange of control. Consequently, the actual allocation of the purchase price could differ from that presented herein.

These unaudited condensed pro forma consolidated financial statements have been prepared and presented using the assumption that 100 percent of the outstanding shares and warrants of HEX will be tendered and that no HEX Warrants are exercised.

Under Swedish GAAP, the aggregate purchase price was calculated as follows:

Number of HEX shares issued	13 471 728
Less number of HEX shares already held by OM	2 103 717
Number of HEX shares included in Offer	11 368 011
Exchange ratio into OM shares	2.5
Equivalent number of OM shares	28 420 027
OM share price[1]	SEK 54.00

	SEK m	EUR m
Estimated fair value of OM shares issued	1 535	166
Acquisition cost for initial 2,103,717 shares	72	8
Acquisition cost for HEX warrants	69	7
Estimated transaction related expenses(i)	70	8
Total estimated purchase price consideration	**1 746**	**189**

(i) Anticipated transaction related expenses to be capitalized by the combined company as a result of the combination represent the possible 1.6 percent Finnish share transfer tax payable by OM for all shares acquired from HEX's shareholders residing in Finland, fees to financial and legal advisors, and auditing and other transaction related fees and expenses.

[1] OM shares issued to HEX shareholders as consideration in the Exchange Offer will be valued based on the quoted market price at the date of exchange of control. The share price used herein is based on the closing price of the OM share on 10 June 2003. For each SEK 1.00 increase or decrease in the OM share price, the Offer consideration amount will increase or decrease by approximately SEK 28 m (EUR 3.1 m) and annual goodwill amortization will increase or decrease by approximately SEK 1.4 m (EUR 0.2 m).

The estimated purchase price consideration, the approximate value of HEX's net assets, the estimated fair value adjustments and the estimated goodwill are as follows:

	SEK m	EUR m
Total estimated purchase price consideration	1 746	189
Estimated restructuring reserve[(ii)]	160	17
Related deferred tax	-46	-5
Less approximate value of HEX's net assets under		
Swedish GAAP and after pre-combination adjustments described in Note 3	398	43
Less add-back of OM's part of HEX's extra dividend[(iii)]	43	5
Estimated goodwill	**1 419**	**153**

[(ii)] The majority of the restructuring costs are related to severance payments relating to the elimination of overlapping functions, organizational restructuring and harmonization of technology.

[(iii)] The net assets of HEX, SEK 398 m (EUR 43 m) have been reduced by all dividends paid by HEX in 2003. OM's share of the extra dividend received in 2003 of SEK 43 m (EUR 5 m) does not represent a decrease in acquired net assets for OM and is adjusted for.

It has been estimated that the combined company will amortize goodwill arising from the combination over an economic useful life of 20 years, due to the combination's long-term structural significance and strategic value for OM.

After the Completion of the Offer and the allocation of the purchase price to assets and liabilities in HEX, the actual and final amount of goodwill and the resulting annual amortization may be lower or higher than the amount presented in these unaudited condensed pro forma consolidated financial statements. However, given the information available when preparing these unaudited condensed pro forma consolidated financial statements, the management does not anticipate the final purchase price allocation to differ materially from the one presented herein.

b) Intercompany transactions

The dividend of SEK 19 m (EUR 2 m) that OM received from HEX during 2002 has been eliminated in the income statement. In the balance sheet, OM's part of the ordinary and extra dividend, SEK 62 m (EUR 7 m) in total 2003, has been added back in the unaudited pro forma consolidated balance sheet.

Note 5: Translation into euro

The unaudited condensed pro forma consolidated SEK amounts have been converted into euro solely for the convenience of the reader at the SEK/EUR rates mentioned in Note 2.

Note 6: Definitions of key figures

- *Earnings per share*
  Net income divided by average number of shares.
- *Operating margin before depreciation*
  Total revenues less personnel expenses and other operating expenses as a percentage of revenues.
- *Operating margin*
  Operating income as a percentage of revenues.
- *Return on capital employed*
  Income after net financial items plus financial expenses for the period (recalculated to 12 months figures) as a percentage of average capital employed. Capital employed is defined as balance sheet total less non-interest-bearing liabilities.
- *Return on total capital*
  Income after net financial items plus financial expenses for the period (recalculated to 12 months figures) as a percentage of average total assets.
- *Return on equity*
  Net income for the period (recalculated to 12 months figures) as a percentage of average shareholders' equity.
- *Cash flow from operations*
  Cash flow from operations before investments.
- *Investments*
  Cash flow from investment operations.

- *Equity per share*
  Shareholders' equity divided by number of outstanding shares.
- *Equity/assets ratio*
  Shareholders' equity and minority interest as a percentage of total assets.
- *Net debt/equity ratio*
  Interest-bearing net debt as a percentage of shareholders' equity and minority interest.
- *Employees, end of period*
  OM's figure for 2002 year-end excludes employees in Jiway.

Auditors' statement on unaudited condensed pro forma consolidated financial information

To the Board of Directors of OM AB

In our capacity as auditors of OM AB we issue our statement on the unaudited condensed pro forma consolidated financial information prepared according to Swedish generally accepted accounting principles and as presented on pages 31-38 and 172-176. The unaudited condensed consolidated pro forma information is prepared with the intention to clarify the effects on OM AB's consolidated financial statements of the combination transaction of OM AB and HEX Plc, accounted for as OM's acquisition of HEX using the purchase method of accounting, as if this transaction had occurred on the dates mentioned and as described in the pro forma information.

The management of OM AB is responsible for preparing the pro forma financial information in accordance with the white paper K/45/2002/PMO issued by the Financial Supervision Authority in Finland. According to the white paper our assignment is to issue a statement on the unaudited condensed pro forma consolidated financial information based on the procedures we performed in accordance with the standards issued by the Finnish Institute of Authorized Public Accountants.

We have compared the unadjusted information in the unaudited condensed pro forma consolidated financial information with the corresponding information in OM's financial statements prepared in accordance with Swedish generally accepted accounting principles and HEX's financial statements prepared in accordance with Finnish generally accepted accounting principles for the year ended 31 December 2002 and for the three months ended 31 March 2003. HEX's financial statements prepared in accordance with Finnish generally accepted accounting principles for the year ended 31 December 2002 have been audited by PricewaterhouseCoopers Oy. We have assessed the pro forma adjustments based on the source material and discussed the contents of the unaudited condensed pro forma consolidated financial information with OM AB's management. We have not audited the unaudited condensed pro forma consolidated financial information and we are not issuing an audit opinion.

Our statement is that:

- The unaudited condensed pro forma consolidated financial information has been compiled on the basis described on pages 31-38;
- Such basis is consistent with the accounting policies of OM AB in all material respects; and
- The pro forma adjustments are applicable for the purpose of presenting the unaudited condensed pro forma consolidated information in accordance with the above mentioned white paper issued by the Financial Supervision Authority in Finland.

Stockholm
3 July 2003

Björn Fernström	Peter Clemedtson
Ernst & Young AB	PricewaterhouseCoopers AB

BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND AUDITORS

Board of Directors

At the Extraordinary General Meeting of Shareholders of OM intended to be held on 18 August 2003, it is proposed that the following persons will be appointed, subject to and with effect as from the Completion of the Offer, as members of OM HEX's Board of Directors:

Olof Stenhammar, Chairman
Born in 1941. Chairman of the OM Board. Member of the OM Board since 1984. Dr. Econ. H.C. Chairman of the Board of AB Ratos, AB Basen, Olympialaget Våga Vinna, Åre 2007, Stiftelsen Mentor Sverige and Hela Programmet AB. Board member of Ledstiernan AB, Ljungberg Gruppen AB, the Swedish Sea Rescue Society, and Stockholm School of Economics' Advisory Board. Member of SNS Board of Trustees and the Stockholm Chamber of Commerce.

Adine Grate Axén, Member
Born in 1961. Member of the OM Board since 2002. Director of Investor AB. Board member of Grand Hôtel Holdings and Hi3G Access AB. Member of the Securities Council and the Industry and Commerce Stock Exchange Committee.

Gunnar Brock, Member
Born in 1950. Member of the OM Board since 2001. President and CEO of Atlas Copco AB, Board member of Atlas Copco AB and Lego AS. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Thomas Franzén, Member
Born in 1945. Member of the OM Board since 1997. Ph.D in Economics. Director General of the Swedish National Debt Office. Chairman of the Board of the Swedish National Debt Office.

Bengt Halse, Member
Born in 1943. Member of the OM Board since 2003. Dr. Eng. H.C. President and CEO of Saab AB (up to and including 14 July 2003). Board member of Chalmers Institute of Technology and Teleca AB. President of AECMA, the European Association of Aerospace Industries. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of War Sciences. Honorary Fellow of the Royal Aeronautical Society in Great Britain.

Timo Ihamuotila, Member
Born in 1966. Member of the HEX Board since 2003. Nokia Corporation, Group Treasury, Vice President Finance, Corporate Treasurer. Nokia Pension Foundation, Chairman. Tech20 Treasurers' Group, Member.

Tarmo Korpela, Member
Born in 1942. Chairman of the HEX Board. Member of the HEX Board since 1986. Confederation of Finnish Industry and Employers; Director General 17 January – 31 July 2003. Confederation of Finnish Industry and Employers; Deputy Director General since 1993. Confederation of Finnish Industries; Deputy Director General 1985 – 1992. Finnvera Oyj; Member of the Board since 2003, Member of the Supervisory Board 1998 – 2003. Fide Oy; Member of the Board since 2003. OKR-Issuers Co-operative; Chairman of the Board.

Mikael Lilius, Member
Born in 1949. President and CEO of Fortum Corporation. Member of the Board of Directors of Ahlstrom Corporation, Huhtamäki Oyj and RAO Lenenergo. Member of the Supervisory Board of the Finnish Fair Corporation and Kemijoki Oy. Chairman of the Supervisory Board of Teollisuuden Voima.

Markku Pohjola, Member
Born in 1948. Deputy Group CEO, Head of Group Processing and Technology of Nordea AB (publ). CEO of Nordea Bank Finland Plc. Member of Group Executive Management of Nordea AB (publ). Member of the Supervisory Board of Pension Insurance Company Ilmarinen. Member of the Board of Directors of Nordea Bank Finland, Nordea Bank Sweden, Nordea Bank Denmark and Nordea Bank Norway. Member of the Board of International Chamber of Commerce (ICC) Finland.

The term of office of the above-mentioned members of the Board of Directors is proposed to last until the close of the Annual General Meeting of Shareholders of OM HEX in 2004.

Executive Committee

It is proposed that the OM HEX Executive Committee will consist of the following persons:

Magnus Böcker
Acting President and CEO of OM HEX. Born in 1961. Employed by OM since 1986.
Chairman of the Board of Directors of Orc Software AB, listed on Stockholmsbörsen.

Jukka Ruuska
President of HEX Integrated Markets division. Born in 1961. Employed by HEX since 2000.

Remuneration

It is the intention that the Extraordinary General Meeting of Shareholders of OM will handle the question of compensation for the Board of Directors of OM HEX for 2003.

The compensation for the Executive Committee will be determined by the Board of Directors.

In addition to the remuneration described above, OM has offered an integration bonus for key employees in OM and HEX. Please see "OM HEX – Integration process – Human resources and remuneration – Integration bonus".

It is also the intention to issue warrants to key employees of OM HEX under a warrant program in order to increase focus on shareholder value in relation to growth and profitability. The warrant program will be dealt with at the Extraordinary General Meeting of Shareholders of OM. Please see sections "The Offer – Other matters relating to the Offer – Corporate decisions – OM" and "OM HEX – Shares, share capital and shareholder structure – Shares and share capital".

Holdings of Board of Directors and Executive Committee

The following pro forma information as of 31 May 2003 on shareholdings and holdings of warrants, convertible debentures and employee stock options is subject to the completion of the combination and inclusive of holdings of closely related companies and immediate family.

Name	Shareholding in OM HEX, number of shares	Warrants to subscribe for new shares in OM HEX, entitlement to number of shares	Convertible debentures entitling to new shares in OM HEX, entitlement to number of shares	Employee stock options entitling to shares in OM HEX, entitlement to number of shares
Olof Stenhammar (including companies)	3 417 590	–	–	–
Adine Grate Axén	–	–	–	–
Gunnar Brock	2 000	–	–	–
Thomas Franzén	–	–	–	–
Bengt Halse*	–	–	–	–
Timo Ihamuotila	–	–	–	–
Tarmo Korpela	–	–	–	–
Mikael Lilius	–	–	–	–
Markku Pohjola	–	–	–	–
Magnus Böcker	94 726	33 400	2 000	226 000
Jukka Ruuska	10 000**	–	–	–

* Bengt Halse has acquired 5,000 shares in OM on 11 June 2003.
** Assuming acceptance of the Offer.

Auditors

At the Annual General Meeting of Shareholders of OM held on 19 March 2003, the shareholders appointed Peter Clemedtson, Authorized Public Accountant at PricewaterhouseCoopers AB, born 1956, and Björn Fernström, Authorized Public Accountant at Ernst & Young AB, born 1950, as auditors until the close of the Annual General Meeting of Shareholders to be held in 2007. Peter Clemedtson has been auditor of OM since 2003 and Björn Fernström has been auditor of OM since 1985. Deputy auditors are Per Hedström, Authorized Public Accountant at Ernst & Young AB, born 1964, and Bo Hjalmarsson, Authorized Public Accountant at PricewaterhouseCoopers AB, born 1960. Neither the auditors (including deputy auditors) nor the auditing firms hold any shares, or instruments entitling the holder to subscribe for shares, in OM or HEX.

Related party transactions

As at the date of this Prospectus, neither OM nor HEX nor any of their respective subsidiaries have granted any loans or given any guarantees or sureties for the benefit of any of the proposed members of the Board of Directors, Executive Committee or auditors of OM HEX. Since 2000 until the date of this Prospectus, none of the proposed members of the Board of Directors, the Executive Committee of OM HEX or its auditors have either directly or indirectly, through closely held companies or immediate family, engaged in any business transactions with OM or HEX, nor with any of their respective subsidiaries other than on arm's length basis, except for an agreement entered into in 1985 between OM and a company in close proximity to Olof Stenhammar, the Chairman of the Board of Directors of OM. Furthermore, Bengt Rydén who is proposed to become a member of the Board of Directors of HEX Integrated Markets, has a consultancy contract with OM. Please see section "OM – Board of Directors, Executive Committee and Auditors – Related party transactions".

CERTAIN CORPORATE INFORMATION

Information given in this section is based on the Articles of Association for OM HEX in the form to be proposed, subject to the Completion of the Offer, to the Extraordinary General Meeting of Shareholders of OM intended to be held on 18 August 2003. The complete Articles of Association, to be proposed to the Extraordinary General Meeting, are attached hereto as Appendix D. Please see also section "The Offer – Other matters relating to the Offer – Corporate decisions – OM".

Company name and registered office

The name of the Company is OM HEX Aktiebolag. The Company is a public company (publ).

The registered office of the Company shall be situated in Stockholm.

Objects

According to Article 3 of the Company's Articles of Association, the object of the Company's operations shall be, directly or through wholly or partly owned companies, to develop and provide IT-based systems and services for, and to own or operate, exchanges and other marketplaces for the financial, energy and commodities markets, clearing organizations, central securities depositories, securities institutions and fund companies, and to conduct operations compatible therewith.

Minimum and maximum share capital

The Company's share capital shall amount to not less than one hundred and sixty-eight million kronor (SEK 168,000,000) and not more than six hundred and seventy-two million kronor (SEK 672,000,000).

Composition and election of the Board of Directors

The Company's Board of Directors shall consist of not less than five and not more than twelve members, plus not more than an equal number of alternate members.

The members and alternate members shall be elected at the Annual General Meeting of Shareholders for a term until the close of the next Annual General Meeting of Shareholders.

Financial year

The Company's financial year shall be the calendar year.

Other

For information on OM's Articles of Association as currently in force, please see section "OM – Certain corporate information".

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Shares and share capital

Pursuant to the proposed Articles of Association for OM HEX, the issued share capital of OM HEX may not be less than SEK 168,000,000, and not more than SEK 672,000,000. The issued share capital may be increased or decreased within these limits without amendment to the Company's Articles of Association. These limits in the share capital correspond to not less than 84,000,000 shares, and not more than 336,000,000 shares. There is only one class of shares. Each share has a nominal value of SEK two (2). Each share entitles the holder to one vote at General Meetings of Shareholders.

Prior to the Completion of the Offer, the total number of shares issued in OM is 84,041,118 representing a share capital of SEK 168,082,236. Following the Completion of the Offer (assuming that the authorization of the Board of Directors will be used in full), the total number of shares issued in OM HEX will be 115,826,145 representing a share capital of SEK 231,652,290[1].

The Board of Directors of OM will propose that the Extraordinary General Meeting of Shareholders intended to be held on 18 August 2003 resolve on the issuance of a debenture with a maximum of 1,150,000 detachable OM warrants. The warrants will, at the time of their issuance, entitle the holders to subscribe for a total of 1,150,000 OM shares during the period 1 July 2006 to 30 September 2006 (leading to an increase of the share capital by a maximum of SEK 2,300,000). The terms and conditions for the warrants shall contain customary re-calculation provisions in the event of an issue of new shares, bonus issue, etc. The application of these re-calculation provisions may result in the issuance of another maximum number of shares where the warrants are exercised in full.

For a description of OM's share capital prior to the Completion of the Offer, please see section "OM – Shares, share capital and shareholder structure – Shares and share capital".

For a description of the rights attached to the shares of OM HEX, please see section "OM – Shareholders' rights".

Shareholders

Following the combination of OM and HEX, based on the ownership information on OM and HEX as of 31 May 2003 and assuming acceptance of the Exchange Offer in full, the shareholding of OM HEX would be distributed as follows:

Owner	**Share of capital and votes, %**
Investor AB	12.8
The Swedish State	7.1
Nordea	6.1
AMF Pension	5.6
Robur Funds	3.7
Sampo Group	3.5
Alecta	3.3
FöreningsSparbanken	3.3
Didner & Gerge Funds	3.1
Olof Stenhammar and companies	3.0
Svenska Handelsbanken	2.7
OKO Group	2.7
Bank of Finland	2.1
OKR-Issuers Co-operative	2.1
Marathon Asset Management	1.9
Evli Bank	1.8
Fidelity Funds*	1.5
The Finnish State	1.3
SEB Funds	1.2
Pohjola Group	1.1
Other shareholders	30.1
Total	**100.0**

* According to a notification received by OM on 20 June 2003 from Fidelity Investments, the ownership of Fidelity Funds has increased on 19 June 2003 to 4,557,680 shares in OM, representing approximately 5.4 percent of OM's shares and votes. Taking this information into account in the above pro forma calculation, the ownership of Fidelity Funds in OM HEX would amount to approximately 4.1 percent.

Please see sections "OM – Shares, share capital and shareholder structure – Shareholders" and "HEX – Shares, share capital and shareholder structure – Shareholders".

[1] This includes also OM shares potentially issued as consideration for any HEX shares issued as a result of the exercise of HEX Warrants and is based on the assumption that no exercise of OM warrants or conversion of OM convertible debentures takes place. However, if no HEX Warrants are exercised and the Exchange Offer is completed in full, the total number of shares issued in OM HEX will be 112,461,145 after the Completion of the Offer.

REGULATORY MATTERS

General

Operating in a regulated industry, OM and HEX are subject to the supervision by financial supervision authorities in Sweden and Finland, respectively. Furthermore, OM and HEX are subject to the supervision by the relevant authorities in other countries where they operate. For the supervision of OM and HEX as of the date of this Prospectus, please see "OM – Authorizations, supervision and regulatory framework" and "HEX – Authorizations, supervision and regulatory framework".

Following the Completion of the Offer, OM HEX will continue to be subject to the supervision by the national financial supervision authorities. However, OM HEX AB will not be subject to the supervision of the Swedish Financial Supervisory Authority in the same manner as HEX Plc as a holding company is currently subject to the supervision by the FFSA. However, it is expected that the co-operation between the Swedish and Finnish supervision authorities will become more active and that certain new considerations may have to be taken into account in the operations of OM HEX.

Ownership control by the FFSA

According to the Finnish Securities Markets Act (the "**SMA**"), the Act on Trading in Standardized Options and Futures and the Act on the Book-entry System, if anyone intends to acquire (alone or together with another shareholder or an entity comparable to a shareholder, as referred to in the SMA) a holding in a stock exchange, an option corporation, a clearing party or a central securities depository (each a "**Stock Exchange Entity**") which would correspond to at least one-twentieth (1/20) of the share capital or voting rights of such stock exchange entity, the FFSA shall be notified of such an acquisition well in advance. If the purpose is to increase the holding so that it would reach or exceed one-tenth, one-fifth, one-third or half of the share capital or voting rights of the stock exchange entity concerned, the FFSA shall be notified also of this acquisition in advance. The corresponding duty to notify shall be complied with when the holding would fall below the above thresholds.

The FFSA may, within three months from having received the notification, object to the acquisition if the FFSA, based on the information obtained on the reliability, good reputation, experience and other suitability of the holders or otherwise considers likely that the holding would endanger the sound and prudent business principles of the stock exchange entity concerned.

A Stock Exchange Entity shall once a year report to the FFSA the names of any shareholders (and entities comparable to shareholders as referred to above) and their holdings of the share capital and voting rights to the extent known by the relevant stock exchange entity concerned. A Stock Exchange Entity shall furthermore immediately notify the FFSA of any changes in the holdings that have come to its knowledge.

What has been stated above with respect to Stock Exchange Entities and the notification of a holding to be acquired therein shall also apply to an organization that exercises control over a stock exchange entity in the manner provided for in Chapter 1, Section 5 of the SMA (a "**Controlling Entity**").

OM has notified the FFSA of its intention to acquire the shares of HEX Plc. On 19 May 2003, the FFSA informed OM that it does not object to the acquisition (please see section "The Offer – Other matters relating to the Offer – Regulatory approvals – Ownership control"). In its decision, the FFSA made a particular reference to the provisions under the Securities Market Act and the Act on Trading in Standardized Options and Futures regarding the voting restrictions which apply also to entities that have control over the companies authorized as a stock exchange, an option corporation and a clearing organization. The FFSA noted that under Chapter 1 Section 5 of the Securities Market Act, OM is considered to be such an entity. At the request of OM, the FFSA issued a statement 30 April 2003 (No.5/180/2003) under the heading "Interpretation of limitation of control provisions" (the "**Statement**"). According to the Statement, the FFSA is of the view that upon the Completion of the Offer, OM will be deemed to be a controlling entity as defined in Chapter 1 Section 5 of the SMA, with respect to the stock exchange entities within the current HEX group. Consequently, the rules regarding the acquisition of voting rights and control and the related notification duty referred to above will be applied to OM HEX and its shareholders.

Restriction on the right to exercise control

Pursuant to Chapter 3, Section 8 and Chapter 4, Section 6 of the SMA (and the corresponding rule under the Act on Trading in Standardized Options and Futures), no one may vote with more than one-twentieth of the votes represented at a General Meeting of a stock exchange, a clearing entity or an option corporation (the "**voting restriction**"). According to the SMA and the Act on Trading in Standardized Options and Futures, the same restriction shall apply to any controlling entity.

According to the Statement (as described below in more detail), the FFSA is of the opinion that the control restriction shall apply to resolutions of the General Meeting of Shareholders of OM (whether passed unanimously or by vote), but only to the extent the resolutions will be enforced in Finland and relate to HEX, a Finnish stock exchange, clearing entity or option corporation. However, the FFSA points out that only courts have the authority to finally resolve upon the interpretation of the regulation applicable to the control restriction in a specific matter.

The current Act on Financial Supervision Authority provides that the FFSA may prohibit the implementation of a resolution by a body subject to its supervision if the resolution or the consequences of the resolution would breach laws, statutes or orders passed on the basis of laws and statutes or if they would breach the supervised entity's Articles of Association, confirmed code of practice or rules.

The above prohibition only applies to resolutions, the implementation of planned activities or other acts undertaken by entities subject to supervision by the FFSA. Since OM, as a foreign company, is not subject to the FFSA's supervision, the FFSA may not directly interfere with the implementation of the resolutions passed at a General Meeting of OM. According to the Statement, the FFSA's competence would, however, extend to resolutions, implementation of planned activities and other acts undertaken by HEX, a Finnish stock exchange, clearing entity or option corporation in cases where such resolutions or other measures are based on resolutions of a General Meeting of Shareholders of OM HEX which would be in breach of the rules on voting restriction under the SMA. According to the Statement, when assessing the resolution or measures undertaken by an entity subject to its supervision, the FFSA would take into account, *inter alia*, the purpose of the control restriction under the SMA, namely the securing of the credible and neutral operations of the stock exchange.

The business and financial position of OM HEX will be affected by a number of external factors, some of which will not be controlled by OM HEX. In considering the Offer and assessing the future development of OM HEX it is important to consider not only potential future prospects of growth but also risk factors.

The risk factors that are deemed to have the greatest influence on OM HEX's business and the combination are described below. The risk factors below are not presented in order of priority. All risk factors cannot be described in detail. Instead, a decision to accept the Offer will have to be made based on all of the information contained in this Prospectus and on general external factors.

Market risks

Market fluctuations could adversely affect OM HEX's businesses in many ways

OM HEX's businesses are materially affected by conditions in the financial and energy markets as well as economic conditions in general, both in the Nordic and other regions. Recent years have been characterized by considerable uncertainty surrounding the global economy resulting in weaker levels of demand on OM HEX's markets, both as regards the volumes of equity trading on Stockholmsbörsen and Helsinki Exchanges and technology sales to companies in the financial and energy markets. In the event of a further and prolonged downturn, OM HEX's business operations could be adversely affected in many ways and its income would likely decline. Should OM HEX be unable to reduce expenses at the same pace, its profit margin would erode and its liquidity could be impaired.

OM HEX will be dependent on the general market and economic conditions in the Nordic region and the volume of trading in and the share price of major Nordic companies

The domestic economies of the Nordic countries remain dependent on specific industry sectors, such as the telecom sector, and even specific companies within these sectors. As a result, these economies are particularly vulnerable to fluctuations in the performance of these sectors and companies. Both Stockholmsbörsen and Helsinki Exchanges are dependent on the volume of trading in and the price of equities and derivatives of a limited number of major Nordic companies, such as AstraZeneca, Ericsson, H&M, Nokia and Skandia. Should the volume of trading in, or the market value of, any of these companies materially decrease or should any of these companies be de-listed from Stockholmsbörsen or Helsinki Exchanges, it would likely have a detrimental impact on OM HEX's business. Please see sections "OM – Stockholmsbörsen – General" and "HEX – Operating environment – Marketplace Helsinki".

OM HEX will operate businesses in emerging markets

HEX has acquired businesses in the emerging markets of the Baltic region. These countries are subject to greater political, economic and social uncertainties than countries with more developed institutional structures. The risk of loss resulting from changes in legislation, economic and social upheaval and other factors may be substantial. Furthermore, due to the potential inadequacies in the legal systems of the emerging markets, OM HEX could be exposed to the possibility of losses.

Risks relating to OM HEX's business

OM and HEX may have difficulties in integrating their businesses and realizing the anticipated benefits of the combination

The combination involves the integration of two businesses that currently operate independently and OM HEX may face difficulties integrating OM's and HEX's businesses, operations and personnel in a timely and efficient manner. Although detailed plans for achieving the estimated cost savings and other benefits from the combination have been made, such plans have not been finalized and cannot be implemented until the completion of the combination. Thus, the estimated cost savings and other benefits of the combination may not be achieved in full or within the expected timeframe. Furthermore, there can be no assurance that the estimated restructuring costs would not be exceeded.

OM HEX will depend on its relationships with a number of large customers and partners, and the disruption of these relationships may adversely affect its business

OM HEX will depend on its relationships with its largest customers and partners. Please see in particular section "OM – Other information – Significant agreements" and section "HEX – Other information – Significant agreements" for more information. There can be no assurance that these relationships and agreements will continue following the combination or otherwise, or that the terms thereof will remain unaltered. Any such disruption, termination or amendment could have an adverse effect on OM HEX's business, financial condition and share price.

The combination of OM and HEX could have a negative impact on the pricing of certain products of HEX

HEX has entered into agreements whereby certain products of HEX are distributed via third parties. Due to the provisions of the said agreements, the third parties are able to influence the pricing of the distributed products and, consequently, to a certain extent HEX's income for such products. OM HEX's business prospects and future income for the said products could be impaired if the third parties to whom distribution has been outsourced take a negative view of the combination of OM and HEX.

OM HEX will invest substantial amounts in system platforms

In its technology operations, OM HEX will invest substantial amounts in the development of system platforms. Although investments are carefully planned, there can be no assurance that the demand for such platforms will justify the related investments and that the future levels of orders will be sufficient to generate an acceptable return on such investments. If OM HEX fails to generate acceptable revenue from planned system platforms, or fails to do so within the envisaged timeframe, it could have an adverse effect on OM HEX's operating results and financial condition.

There are risks related to valuation of goodwill and other intangible assets

A substantial part of OM HEX's assets will consist of goodwill and other intangible assets to be amortized according to plan. These assets are valued on an ongoing basis based on market conditions and other relevant factors. Thus, an impairment of these assets could cause write-downs affecting, *inter alia*, shareholders' equity.

OM HEX may not be able to remain competitive and implement its strategy if it cannot hire and retain skilled personnel

To remain competitive and implement its strategy, OM HEX will need to hire and retain highly skilled employees with particular expertise. Competence and expertise within transaction technology will be OM HEX's main competitive advantage and organizational backbone. A portion of this competence will be held by a small number of key individuals who are of particular importance for ensuring that OM HEX remains and develops its competitive edge. Furthermore, OM HEX will be particularly dependent on certain key members of management responsible for managing the integration of the two companies and developing the strategic direction for the company. A positive development of both the future business activities and the integration of OM and HEX will be dependent on the continued employment of such employees.

It may not be possible to sublease leased premises

A large portion of the offices in which OM HEX operates in different countries is leased under long-term agreements according to local market conditions. The degree of utilization of these office spaces has decreased and may continue to decrease in the future due for instance to reorganization or closure of business, and there can be no assurance that it would be possible to sublet any non-utilized office space or to sublet such space on terms that would cover existing leasing costs or otherwise not be less favorable for OM HEX. This could have an adverse effect on OM HEX's business, operational results and financial position.

Operational risks

Operational risk and dependence from systems and IT systems may disrupt OM HEX's business, result in regulatory action against OM HEX or limit its growth

OM HEX faces operational risk arising from inadequate or failed internal processes and IT systems as well as other systems or from factors beyond its control (such as criminal acts and default by suppliers of telecom services). The business of OM HEX is highly dependent on the IT systems and other systems on which it operates. Even though OM HEX aims to take precautions (such as risk management, education, internal control and insurance), as both OM and HEX already take today to limit the risks related to their processes and systems, OM HEX could suffer financial loss, a disruption of its business, liability to customers, regulatory intervention or damage to its reputation or the operations of the securities markets could be disabled, if any of these processes and systems do not operate properly or are disabled.

Employee misconduct could harm OM HEX and is difficult to detect and deter

Operational risk also includes the risk of loss due to lack of knowledge or willful violation of rules and regulations on the part of employees. Employee misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious financial harm. Employee misconduct in any form could result in significant financial loss to OM HEX and damage to its reputation. Even though OM HEX aims to take precautions (such as risk management, education, internal control and insurance), as both OM and HEX already take today to limit the risks of such loss or damage, it is not always possible to deter and detect employee misconduct, and the precautions taken may not be effective in all cases.

OM HEX will be exposed to clearing risk

Stockholmsbörsen and Helsinki Exchanges clear a range of equity-related and fixed-income-related derivative products. Stockholmsbörsen, via its London based subsidiary OM London Exchange ("**OMLX**"), and Natural Gas Exchange ("**NGX**")[1] also clear energy and commodity derivatives. Following the completion of the formation of EDX London, OM owns 24 percent of EDX London (which consists of the equity-related derivatives business of OMLX). OM will continue to act as the clearing house for EDX London during a certain period of time. Both Stockholmsbörsen and Helsinki Exchanges assume the counterparty risk for all transactions that are cleared for their respective markets and guarantee that their cleared contracts will be honoured. As protection against the risks that are associated with their derivatives clearing business, Stockholmsbörsen and Helsinki Exchanges enforce minimum financial and operational criteria for membership eligibility, require members and investors to provide security, and maintain established risk policies and procedures to ensure that the counterparty risks are properly monitored and pro-actively managed. Both entities also have the benefit of rules and regulations, which provide broadly based forms of legal protection.

The most notable risk associated with derivative clearing operations is the risk that one or more counterparties will default on their obligations. The collateral that is required from, and pledged by, members and investors is based on margining methodologies designed to provide adequate protection against counterparty default. The collateral pledged is restricted to approved forms of eligible collateral. Counterparty risk exposures are monitored and controlled on a daily and an intraday basis and both Stockholmsbörsen and Helsinki Exchanges have clearly defined procedures in place for managing default risk and responding to default situations.

While pro-active risk management within Stockholmsbörsen and Helsinki Exchanges is designed to mitigate the risk of counterparty default, there is no guarantee that members or investors will not default on their obligations to OM HEX. Moreover, while margining of member and investor risk exposures is specifically designed to ensure that sufficient collateral is maintained to compensate for the default risk incurred, no guarantee can be given that the security provided will at all times be sufficient. Accordingly, each entity maintains risk capital resources that serve as an additional layer of protection to help ensure that Stockholmsbörsen and Helsinki Exchanges are able to meet their respective obligations.

OM HEX will be exposed to currency risk

OM HEX will face increased currency exposure as compared with OM and HEX as stand-alone entities. Should OM HEX's hedging strategies prove to be ineffective, OM HEX will have significant exposure to exchange rate movements between the Swedish krona, euro, US dollar and other foreign currencies. This could have an adverse effect on its operating results and financial condition.

OM HEX will be exposed to credit, counterparty and liquidity risk

OM HEX faces credit, counterparty and liquidity risks in its business. Although these risks will be limited by dealing with counterparties with a high credit rating and by investing in low credit risk securities offering high liquidity, no assurance can be given that the counterparties will not default on their obligations to OM HEX due to factors outside OM HEX's control and that the market in which the financial instruments are invested will remain liquid.

OM HEX will be exposed to interest rate risk

OM HEX faces interest rate risks in its business. The speed at which an enduring interest rate change can impact OM HEX's net interest income will depend on the duration of OM HEX's investments and borrowings. The duration of liabilities will normally be short but can be extended to limit the negative impact of an interest rate increase. However, fluctuations in the interest rate could have an adverse effect on OM HEX's financial condition.

Risks related to legal and regulatory matters

OM HEX will operate in a regulated industry and changes in, or adverse applications of, the regulations affecting it could harm its operating results and financial condition

OM HEX's activities will, to a large extent, be regulated either at the national level or at an international level, such as by the European Union. Implementation and application of these regulations may be undertaken by one or more regulatory authorities, which may challenge OM HEX's compliance with one or more aspects of such regulations. If OM HEX is found not to have complied with these regulations, it may, among other things, be subject to conditional fines and have its authorization or license revoked.

In addition, changes in legislation, regulation or government policy affecting OM HEX's business activities, as well as decisions by regulatory authorities or courts, could harm its operating results and financial condition and could have a negative impact on its share price.

[1] In connection with the decision to restructure and consolidate OM's energy market business, it is OM's intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" and "OM – Technology operations" for further information.

Legal proceedings

For a description of the legal proceedings to which OM and HEX, respectively, are subject, please see sections "OM – Other information – Legal disputes", "OM – Other information – Tax disputes" and "HEX – Other information – Legal disputes".

Regulatory authorities may seek to impose conditions that could reduce the anticipated benefits of the combination

Completion of the Offer requires the consent or approval of various regulatory authorities, including competition authorities. These regulatory authorities may seek to impose conditions, such as operating restrictions or divestitures, on OM, HEX or OM HEX as a condition for their approval or consent to the combination. Meeting these conditions could jeopardize or reduce the anticipated benefits of the combination and/or have a material adverse effect on the business and financial conditions of OM HEX.

Risks relating to the Exchange Offer

Holders of HEX shares accepting the Offer will receive a fixed number of OM shares in the Offer, and not a fixed value

The market price of the OM shares may decrease between the commencement of the acceptance period of the Offer and the time during which the Offer is completed. Because holders of HEX shares accepting the Offer will receive a fixed number of OM shares in the Offer, and not shares in OM with a fixed value, the value of the OM shares received at the Completion of the Offer may be less than the value of such OM shares on the date of the announcement of the Offer, the date of this Prospectus or the date of tendering the relevant HEX shares. The terms of the Offer will not be adjusted based on fluctuations in the market price of OM shares or on the relative financial performance of OM and HEX. The price of OM shares may change as a result of changes in the business, operations or prospects of OM or OM HEX, market assessments of the impact of the combination, regulatory considerations, general market and economic conditions, factors affecting the financial market in general and other factors.

Exchange Offer Ratio may not reflect relative values of the companies

The Exchange Offer Ratio (2.5 new OM shares for every HEX share) implies a relative value contribution of around 71 percent from OM and around 29 percent from HEX. The Boards of Directors of OM and HEX have based the Exchange Offer Ratio on the best information available for the valuation. Valuations are based on assumptions and judgements of future events. The valuations made by OM and HEX may therefore not accurately reflect the intrinsic values of the companies and, accordingly, the Exchange Offer Ratio used in the combination may not accurately reflect the relative values of OM and HEX.

The investment in OM HEX shares will be affected by currency exchange rate fluctuations

It is the intention that the OM shares that holders of HEX shares will receive in the Offer will be listed on both Stockholmsbörsen and Helsinki Exchanges. As the majority of OM HEX's revenues will be denominated in Swedish kronor and most of the volume of trade in OM HEX's shares is likely to take place on Stockholmsbörsen, it is likely that the valuation and pricing of OM HEX's shares will to a substantial extent be based on the Swedish krona. If the Swedish krona weakens in relation to the euro, it is likely that the OM shares received in the Offer will also decrease in value. If, however, the Swedish krona strengthens, such investments are likely to increase in value.

No prior trading on Helsinki Exchanges

In connection with, and subject to, the Completion of the Offer, OM intends to apply for listing of the shares in OM HEX on Helsinki Exchanges. Prior to the Completion of the Offer, the shares of neither OM nor HEX have been publicly traded in Finland. Thus, there is no guarantee that a well-functioning and liquid trading market for the OM HEX shares will develop and be sustained on Helsinki Exchanges after the commencement of listing. The lack of liquidity could result in a higher price spread for the OM HEX shares on Helsinki Exchanges than on the primary market on Stockholmsbörsen.

Risks to non-tendering shareholders

A holder of HEX shares or HEX Warrants not participating in the Offer may be required to participate in a compulsory acquisition proceeding that may result in a cash payment that may be either less or more than the value of the share consideration to be received in connection with the Offer

Under the Finnish Companies Act, once OM acquires more than nine-tenths of all HEX shares and more than nine-tenths of all votes entitled to be cast at a General Meeting of Shareholders of HEX, it shall also have the right to require the minority shareholders of HEX to sell the remaining HEX shares to OM for a fair price in a compulsory acquisition proceeding. Any disputes concerning the right of redemption or the redemption price in a compulsory acquisition would be resolved by an arbitration panel of one or more arbitrators appointed by the Central Chamber of Commerce of Finland in accordance with the Finnish Companies Act. Under the Finnish Companies Act, the arbitration panel so appointed has considerable latitude in deciding upon the method or methods used in determining the fair price of the shares of the target company and in establishing the final amount of such a fair price. Therefore, no assurance can be given as to the amount of the cash redemption price to be paid in connection with a compulsory acquisition that may follow the Completion of the Offer and such an amount could be more or less than the amount of consideration per HEX share received in connection with the Offer. In addition, under the Finnish Companies Act, the shareholders of a target company have the right to appeal the decision of the arbitration panel in respect of the cash redemption price to be paid in connection with a compulsory acquisition and, therefore, the final determination of such a cash redemption price could be subject to protracted litigation.

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The information provided in the following section does not take into account the effect of the combination between OM and HEX. The most important risks related to OM's business operations which can have material effect on OM's operations and financial position are presented in section "OM HEX – Risk factors".

GROUP OVERVIEW

Introduction

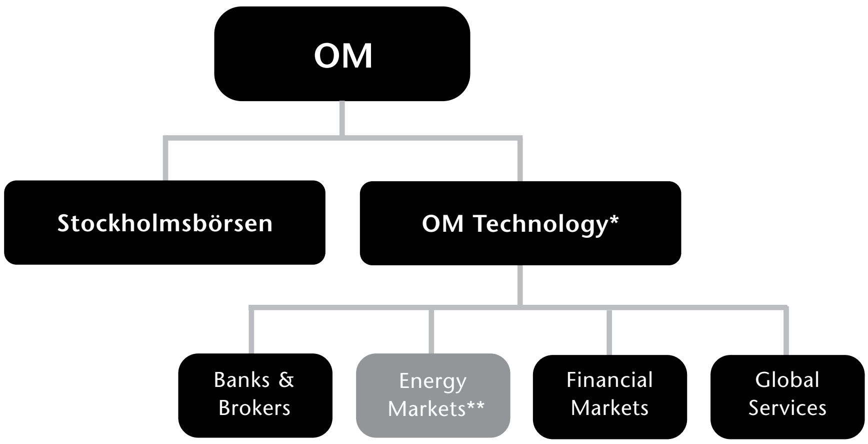
OM develops and operates systems solutions for companies in the world's financial and energy markets. OM also owns and operates exchanges and clearing houses. As a knowledge-based company, OM's competitive strengths are firmly rooted in its core competence – transaction technology. OM has more than 300 customers and approximately 1,600 employees in ten countries.[1]

OM creates value for customers by providing efficient market solutions based on its core competence within transaction technology. This is also the basis for OM's business model, allowing customers to choose between different levels of operational and service involvement.

History in brief

OM was established in 1984. In 1985, OM developed Northern Europe's first derivatives exchange and in 1987, OM became the first exchange in the world to be listed on a securities exchange. In 1990, OM developed and sold the world's first electronic exchange system for derivatives trading. In 1995, OM developed and sold the trading system used by the world's first electricity exchange. In 1998, OM acquired the Stockholm Stock Exchange (Stockholm Fondbörs AB). In 2002, OM and the London Stock Exchange ("LSE") agreed on plans to form EDX London, an international marketplace for trading and clearing of equity derivatives.

Operations and business areas



* Named Technology operations until 30 June 2003.

** Until 30 June 2003. As a part of the decision to restructure and consolidate OM's energy market business, Energy Markets has ceased to exist as an independent business area as from 1 July 2003. However, despite the restructuring, OM continues its activities as a provider of transaction technology services within the energy markets and those parts that are not intended to be divested have been transferred to the Financial Markets business area as from 1 July 2003.

OM's operations are divided into two divisions, which are OM Technology and Stockholmsbörsen. As from 1 July 2003, OM Technology is divided into three business areas: Banks & Brokers, Financial Markets and Global Services. As from 1 January 2003 until 30 June 2003, the operations of the OM Technology division (previously named OM's technology operations) were divided into four business areas, including the Energy Markets business area in addition to the three business areas mentioned above.[2]

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1 Please see "OM – Financial summary – Events subsequent to the interim report" for information on estimated redundancies and the concentration of OM's operations to fewer offices as a result of the implementation of OM's cost reduction program.

2 In accordance with OM's press release dated 30 June 2003, the Board of Directors of OM has resolved to restructure and consolidate OM's energy market business, as a result of which Energy Markets has ceased to exist as an independent business area on 30 June 2003. Please see "OM – Financial summary – Events subsequent to the interim report" and "OM – Technology operations" for further information on the change and the estimated effects thereof.

Until the end of 2002, OM's technology operations were organized into the following business areas: Broker Services, Energy Market Solutions, Financial Market Solutions and Global Services. As from 1 January 2003, OM introduced a new business area, Banks & Brokers, which is based largely on the operations of the previous Broker Services business area and the operations within Financial Market Solutions that develop solutions for banks and brokerage firms. Furthermore, OM changed the names of the Financial Market Solutions and Energy Market Solutions business areas to Financial Markets and Energy Markets, respectively.

In this Prospectus, unless otherwise stated, the structure of OM's operations in force until 30 June 2003 is reflected and the operations are divided into the following divisions and business areas.

- Technology operations
  - Within Banks & Brokers, OM provides systems solutions and back-office-for-hire services for banks and brokerage firms.
  - Within Energy Markets, OM has developed systems solutions for marketplaces and participants in deregulated energy markets, and also owned and operated the energy exchanges UKPX and NGX.[1]
  - Within Financial Markets, OM develops systems solutions for exchanges, clearing houses and CSDs.
  - Within Global Services, OM operates exchange and clearing systems for exchanges and clearing houses around the world.
- Stockholmsbörsen is a leading exchange, offering trading in equities, fixed-income instruments and derivative products as well as clearing, listing and information services.

The parent company's primary function is to manage the group and its divisions and provide certain common services for the group, such as human resources, premises management and finance. In conjunction with the reorganization of the business areas in January 2003, certain functions were moved from the business areas to the parent company, whereby the parent company assumed responsibility for a wider range of services compared with the old organization in 2002. For a description of the changes in the role of the parent company, please see "OM – Group overview – Revenue and income" and "Appendix A – Financial information – OM – Interim report for the period January – March 2003". In accordance with OM's press release dated 30 June 2003, the restructuring of OM's organization will also have certain effects on the parent company. Please see "OM – Financial summary – Events subsequent to the interim report".

Legal structure and associated companies

OM AB is the parent company holding directly or indirectly several wholly-owned subsidiaries. The legal structure of the OM group of companies is presented in "Appendix A – Financial information – OM – Group Structure".

OM is the largest shareholder in Orc Software AB, listed on Stockholmsbörsen. OM is also the largest owner of HEX. Furthermore, OM and LSE have agreed on the formation of EDX London (see section "OM – Stockholmsbörsen – Operations – OM London Exchange and the formation of EDX London"). Together, Oslo Børs, Copenhagen Stock Exchange, Iceland Stock Exchange and Stockholmsbörsen run the NOREX exchange alliance. For further information on associated companies, please see section "OM – Other information – Significant shareholdings and investments".

[1] In connection with the decision to restructure and consolidate OM's energy market business, Energy Markets has ceased to exist as an independent business area on 30 June 2003. Furthermore, it is the intention to divest, inter alia, NGX and UKPX. However, despite the restructuring, OM continues its activities as a provider of transaction technology services within the energy markets and those parts that are not intended to be divested have been transferred to the Financial Markets business area as from 1 July 2003. Please see "OM – Financial summary – Events subsequent to the interim report" and "OM – Technology operations".

Revenue and income

The following table summarizes revenues and operating income before depreciation for 2002 and 2001 based on the old organizational structure (until 31 December 2002) and revenues and operating income before depreciation for 2002 for the organizational structure as from 1 January 2003 and in effect until 30 June 2003 (thus including the Energy Markets business area).

	Revenue			Operating income before depreciation		
(SEKm)	**Previous structure 2002***	**Old structure 2002****	**Old structure 2001****	**Previous structure 2002***	**Old structure 2002****	**Old structure 2001****
Banks & Brokers	402	n.a.	n.a.	-15	n.a.	n.a.
Brokers Services	n.a.	287	376	n.a.	40	-108
Energy Markets***	274	292	299	-79	-40	69
Financial Markets***	681	793	1 050	201	220	386
Global Services	547	411	439	66	66	20
Other items and eliminations	-44	116	101	-12	-117	-131
Technology operations – total	**1 860**	**1 899**	**2 265**	**161**	**169**	**236**
Stockholmsbörsen	**965**	**965**	**1 158**	**348**	**348**	**303**
Other items and group eliminations	**-185**	**-224**	**-351**	**-205**	**-213**	**-409**
GROUP Total	**2 640**	**2 640**	**3 072**	**304**	**304**	**130**

* Organizational structure during 1 January 2003 – 30 June 2003.
** Organizational structure until 31 December 2002.
*** Named Energy Markets Solutions and Financial Market Solutions in the old organization (before 1 January 2003).

The management believes that the change of organization that took effect in January 2003 does not materially affect the comparability of the figure for Technology operations (calculated as a whole) between the years presented above. As regards the recent decision to restructure and consolidate OM's energy market business and the related change of organization, this change has effects mainly within the OM Technology division. For further discussion on the decision to restructure and consolidate OM's energy market business and the estimated effects thereof, please see "OM – Financial summary – Events subsequent to the interim report" and "OM – Technology operations".

In 2002, OM decided to break down its operations into business areas (Broker Services, Energy Market Solutions, Financial Market Solutions, Global Services and Stockholmsbörsen). In previous years, OM's reporting was based on the legal structure of the Group, divided into divisions Transaction, Technology, Jiway and the parent company. All figures for 2001 were recalculated according to the structure as of 2002. No recalculations were performed for previous years for which comparable information is not available. For further information on financial development for 2002, 2001 and 2000, please see section "OM – Financial information".

The following table summarizes revenues and operating income before depreciation for the respective business areas based on the organization as from 1 January 2003 and in effect until 30 June 2003 (thus including the Energy Markets business area) for the periods January – March 2003 and January – March 2002 and the full year 2002.

	Revenue*			Operating income before depreciation*		
(SEKm)	**1Q 2003**	**1Q 2002**	**2002**	**1Q 2003**	**1Q 2002**	**2002**
Banks & Brokers	82	103	402	-8	-28	-15
Energy Markets	77	68	274	-5	-10	-79
Financial Markets	169	200	681	40	76	201
Global Services	121	139	547	15	11	66
Other items and eliminations	-32	-57	-44	-29	-21	-12
Technology operations – total	**417**	**453**	**1 860**	**13**	**28**	**161**
Stockholmsbörsen	**234**	**285**	**965**	**115**	**116**	**348**
Other items and group eliminations	**-39**	**-35**	**-185**	**-31**	**-25**	**-205**
GROUP Total	**612**	**703**	**2 640**	**97**	**119**	**304**

* The figures in the table above reflect the organization structure during 1 January 2003 – 30 June 2003 (thus including the Energy Markets business area).

Based on the structure as from 1 January 2003, net sales for the parent company for the first quarter 2003 amounted to SEK 41 m (SEK 51 m) of which SEK 38 m (SEK 48 m) resulted from internal sales. Net sales in 2002 amounted to SEK 205 m, of which SEK 190 m were from internal sales.

The following table summarizes the geographical distribution of revenues of OM's technology operations for 2002, 2001 and 2000 based on the old organizational structure (until 31 December 2002).

OM's technology operations' revenue per geographical region	**SEKm**			**Share, %**		
	2002	**2001**	**2000**	**2002**	**2001**	**2000**
Nordic countries	417	453	717	22	20	38
Other European countries	646	884	677	34	39	36
Asia/Australia	190	181	46	10	8	2
North America	646	747	464	34	33	24
Total	**1 899**	**2 265**	**1 904**	**100**	**100**	**100**

Business model

OM's business model comprises different levels of operation and service involvement:

1. OM develops and provides systems solutions.
2. OM manages the operation of delivered systems solutions.
3. OM is owner or partner of the operational services of a business.

Core competence within transaction technology is the basis for adding value at each level of the business model, such as the interaction between development and facility management services. To a great extent, OM's strategy builds on integration along the entire value chain.

1. OM develops and provides systems solutions

OM's products form a "tool box" from which customer solutions are created. Systems solutions are primarily developed within the business areas Banks & Brokers and Financial Markets.

When OM has developed and delivered a systems solution, the customer licenses the right to use the software. The license fee that OM subsequently receives is often fixed, but it can also be volume based, which means that OM shares the market risk.

Each customer project comprises adaptations for customer-specific requirements, for example those related to functionality and capacity. This development and installation work generates project revenue that is usually invoiced continuously according to degree of completion. When a systems solution is delivered, OM undertakes to improve and develop the solution on an ongoing basis, for which it receives recurring support revenue.

2. OM manages the operation of delivered systems solutions

OM can also be responsible for the ongoing technical operation of a systems platform. In such cases, earnings are based on operational efficiency and economies of scale. Within the Banks & Brokers and Global Services business areas, OM provides outsourcing services and Facility Management Services that could have either fixed- or volume-based fees.

3. OM is owner or partner of the operational services of a business

As either partner or owner, OM can participate in all or parts of the operational responsibility of a business, such as an exchange. The prerequisites for this are that OM's transaction technology can enhance operations and result in a higher rate of return. OM's subsidiary Stockholmsbörsen is one example. With access to OM's transaction technology Stockholmsbörsen has evolved into an efficient exchange with a combination of low trading fees and high profit levels. Another example is EDX London, the international equity derivatives market that OM will open in 2003 together with LSE. The primary revenue sources from exchange operations are trading revenue, issuers' revenue and information sales revenue.

TECHNOLOGY OPERATIONS

Overview

Within OM's technology operations, OM provides systems solutions for companies operating on financial and energy markets. These solutions are based on OM's collective expertise in operating and developing systems solutions for exchanges, CSDs, banks and brokerage firms as well as participants on the energy markets.

OM's systems solutions are characterized by flexibility, both in terms of functionality, capacity and the ability to handle different types of products. The systems can support both order-driven trading and market maker trading, in both electronic and floor-based trading models.

According to OM's press release dated 30 June 2003, OM is implementing certain reforms and changes to its organization, which measures will affect the structure of OM Technology. Please see "OM – Financial summary – Events subsequent to the interim report".

Order value, revenue and income

Revenues within OM's technology operations for the first quarter 2003 amounted to SEK 417 m (SEK 453 m) and operating income before depreciation was SEK 13 m (SEK 28 m). Order value as of 31 March 2003 fell 6 percent to SEK 2,944 m compared with SEK 3,118 m on 31 December 2002. Orders with a value of SEK 1,086 m are to be delivered within the next twelve months.

During 2002, revenues fell 16 percent to SEK 1,899 m (SEK 2,265 m), primarily due to weaker markets, postponed investment decisions by customers and lower internal sales levels. Operating income before depreciation totaled SEK 169 m in 2002 (SEK 236 m), including SEK 75 m (SEK 95 m) from a gain on sale of shares in Orc Software as well as SEK 64 m (loss: SEK 34 m) in losses at the electricity exchange UKPX. Order value decreased from SEK 3,599 m 31 December 2001 to SEK 3,118 m as of 31 December 2002.

Product development

OM's products form a "tool box" that creates business solutions to meet the requirements of individual customers. Each year, OM invests extensively in research and development to develop core competence within the company while securing its position as one of the market leaders. Development is as much about creating new products as it is about adding new functionality to existing platforms and products.

Investments in research and development within OM's technology operations in 2002 amounted to SEK 240 m, equivalent to 13 percent of OM's technology operations' revenues.

Customers

OM's technology operations, customer base includes more than 300 clients in Sweden and abroad, including 25 exchanges and clearing organizations, of which the ten largest clients' revenues amounted to SEK 911 m in 2002, accounting for 48 percent of OM's technology operations' total revenues in 2002. OM's major customers include American Stock Exchange, NASD, Nord Pool, SEB, Stockholmsbörsen and SFE Corporation (Sydney Futures Exchange).

In the following sections, the four business areas that constituted OM's technology operations until 30 June 2003 (Banks & Brokers, Energy Markets, Financial Markets and Global Services) are presented. However, the main aspects of the amendments as from 1 July 2003 are described below (see also "OM – Financial summary – Events subsequent to the interim report").

Banks & Brokers

Within the business area Banks & Brokers, OM offers front-to-back business solutions in the area of securities processing. Customers can be found among Tier 1 to Tier 3 banks and brokerage firms. Banks & Brokers value proposition is to help customers generate business value by providing efficient operations, thus allowing customers to focus on their customers and product development. The business area has representation in four countries: Sweden, Germany, the UK and the US. Banks & Brokers has approximately 70 customers, nearly 50 percent of which use Application Service Provider (ASP) or Business Service Provider (BSP) services.

Revenue and income

Revenues within Banks & Brokers for the first quarter 2003 amounted to SEK 82 m (SEK 103 m) and operating loss before depreciation was SEK 8 m (loss: SEK 28 m). Lower transaction based revenues from back-office-for-hire services accounted for the deficit. Nevertheless, income has improved as a result of restructuring measures implemented in 2002. In 2002, revenues totaled SEK 402 m. Operating loss before depreciation amounted to SEK 15 m.

Solutions, products and services

The market offerings of Banks & Brokers span the entire value chain. The business area provides the following services: Business applications – the development and implementation of front-, mid- and back-office IT-applications for banks and brokers; Business operations – the operation of IT-applications on behalf of clients as well as support and operation of the business processes, known as back-office-for-hire; and Business advice – the development and implementation of focused strategies and operating models based on Banks & Brokers assets.

Market

The market in which Banks & Brokers operates is currently facing three major forces: legal changes in the marketplace, shifts in customer behavior and the economic recession. These forces have created three strong market trends: *Market integration* – several market participants are consolidating their business through mergers and acquisitions, climbing in the value chain by providing new services and/or products; *Demand for new IT infrastructures* – the threat of new legal framework (EMU, Basel II, pension acts, patriot acts and more complex customer requirements) is forcing banks and brokers to change or at least develop their IT infrastructure; *Pressure for cost reduction* – banks and brokers are seeking ways of reducing their costs to enhance productivity and competitiveness.

The market is currently under pressure from a generally weak economic climate, but the long-term trends are creating interesting and relevant opportunities for providers who can meet new demands.

Competition

The competition that the business area is facing is fierce and there are multiple providers of products and services. Examples of providers are: *application vendors* such as SunGard, Misys and GL Trade; *ASPs and BSPs* such as EDS, IBM, EDB Capital C and Abaris; *business advisors* such as Accenture, CGEY and Capco.

Energy Markets

Within the business area Energy Markets, OM has developed and provided systems solutions for marketplaces and participants in the deregulated energy markets, and also owned and operated NGX in Canada and UK Power Exchange ("**UKPX**"), in the UK.

In accordance with OM's press release dated 30 June 2003, the Board of Directors of OM has resolved to restructure and consolidate OM's energy market business, as a result of which Energy Markets has ceased to exist as an independent business area on 30 June 2003. As a part of the restructuring, it is the intention to divest the energy exchanges UKPX and NGX as well as to review the scope of the product portfolio targeted to the participants and end customers on the energy markets. However, despite the restructuring, OM continues its activities as a provider of transaction technology services within the energy markets, and those parts of the former business area Energy Markets that are not being divested, together with the existing energy market competence, have been transferred to the Financial Markets business area as from 1 July 2003. Please see "OM – Financial summary – Events subsequent to the interim report".

Revenue and income

Revenues within Energy Markets for the first quarter 2003 amounted to SEK 77 m (SEK 68 m) and operating loss before depreciation was SEK 5 m (loss: SEK 10 m). The increase in revenues and improved income levels are primarily due to a rise in the number of systems sales to the Nordic region and Germany, as well as to increased activity on NGX. UKPX had a negative impact of SEK 11 m (neg: SEK 14 m) on the income of the business area during the period. In 2002 revenues totaled SEK 274 m and operating loss before depreciation was SEK 79 m.

Solutions, products and services

POMAX™ is a series of systems solutions for trading, risk management, settlement and back office operations as well as systems for the distribution and the sale of electricity to consumers. Customers include Statkraft, Fortum and Falconbridge.

During the year 2002, OM added CONDICO™ to its offering of exchange and clearing systems for energy markets and energy clearing houses. This system has been developed to meet the needs of smaller, recently established marketplaces and clearing houses.

Market

Energy markets around the world are in the process of deregulation and new trading structures are emerging. Historically, these markets have been characterized by price regulation, long-term contracts and few transactions. Risks were severely limited as was the ability to trade.

Deregulation has created a demand for totally new systems solutions for risk control, trading and administration. Marketplaces, producers, distributors and consumers all have an increased need for sophisticated systems solutions to manage their energy trading.

Competition

In terms of competition for providing systems solutions to deregulated energy markets, OM competes with a number of different companies in different areas. These include Schlumberger Sema, ABB Information Systems and Logica on the exchange side and SAP, KWI, Caminus, Lodestar and SunGard on the participant side. Consumer market competitors include SAP, Schlumberger Sema, Tekla, WM-Data and TietoEnator.

OM's energy exchanges

UKPX

In 2000, OM launched UKPX (UK Power Exchange) – the United Kingdom's first electricity exchange. UKPX is an integrated electricity exchange and offers trading and clearing in both spot and futures contracts. During 2001, UKPX introduced spot trading in electricity, thus complementing futures trading that enables members to trade contracts with lifetimes of up to two years. At the end of 2002, UKPX had 45 members.

In 2002, UKPX had a major share of the UK spot market in exchange-traded electricity contracts. Although the exchange-traded electricity market is relatively undeveloped today, it is growing. The major part of trading in electricity is currently conducted in the OTC market and bilateral market. UKPX's main competitor in electricity trading is the Automated Power Exchange. Operating loss before depreciation in 2002 amounted to SEK 64 m (loss: SEK 34 m).

In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest UKPX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

NGX

NGX (Natural Gas Exchange), which is based in Calgary, Canada, has been a wholly-owned subsidiary of OM since 2001. NGX offers trading and clearing of natural gas contracts and had over 100 members at the end of 2002. NGX's competitive advantages include that it is an independent marketplace with central counterparty clearing ("**CCP**") comprising standardized margin requirements and the fact that NGX calculates and provides the indices that are used for settling derivatives contracts. CCP means that buyers and sellers can trade anonymously on a liquid market. NGX competes mainly with the OTC market, primarily the bilateral market.

Trading volumes on NGX have grown rapidly during recent years. In 2002, volumes increased by 24 percent to more than 4,300 BCF (Billion Cubic Feet). NGX is profitable.

In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

Financial Markets

Within the business area Financial Markets, OM develops systems solutions for transactions in all types of financial instruments. Customers are primarily financial exchanges, clearing houses and settlement organizations.

In connection with the restructuring and cosolidation of OM's energy market business, those parts of the former Energy Markets business area that are not being divested, including the existing energy market competence, have been transferred to the Financial Markets business area as from 1 July 2003. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

Revenue and income

Revenues within Financial Markets for the first quarter 2003 amounted to SEK 169 m (SEK 200 m) and income before depreciation totaled SEK 40 m (SEK 76 m). The drop in revenues and income is attributable to the continued low level of investments in systems solutions among exchanges, clearing houses and CSDs. In 2002, revenues within Financial Markets amounted to SEK 681 m. Income before depreciation was SEK 201 m.

Solutions, products and services

OM's two trading solutions, CLICK™ and SAXESS™, have been delivered to 27 exchanges worldwide. These exchange platforms can be used to trade all types of financial instruments. CLICK™ customers include American Stock Exchange, ISE (International Securities Exchange), Borsa Italiana and Australian Stock Exchange. All member exchanges of the Nordic exchange alliance NOREX use SAXESS™. In 2002, OM launched TYZER™, an exchange system for smaller exchanges and marketplaces, and TSP, an outsourcing solution aimed at the same customer category.

SECUR™, OM's clearing solution for clearing derivative instruments, is used by ten exchanges and clearing houses around the world. These include Hong Kong Exchanges, BOTCC (Board of Trade Clearing Corporation) and

Stockholmsbörsen. During 2002, OM also launched an automated system for CSDs. This new solution, EXIGO CSD™, is currently being developed in collaboration with SFE Corporation (Sydney Futures Exchange). EXIGO CSD™ is a central securities depository system for registering, book-keeping, clearing and settling bonds and other instrument types.

Market

According to a Gartner Group survey, investments within the global financial sector totaled over SEK 1,600 billion during 2001. OM only has a small, albeit growing, share of total investments made by exchanges, clearing houses and settlement organizations. Historically, this market has been characterized by the dominance of in-house systems development, for example, at exchanges. A current trend in the world's financial markets is that participants such as banks, brokerage firms and exchanges instead require more complete, standardized solutions from professional external providers. The increasing demutualization of exchanges and clearing houses and increased diversification into each other's markets also means that exchanges and clearing houses are more focused on technology as a competitive tool.

At the same time, economies of scale that come from outsourcing operations, support and certain commercial activities are becoming increasingly evident. In addition to adapting software, a trading system provider should also be able to offer service solutions for operation and support.

Competition

Historically, OM's main indirect competitors in terms of systems for exchanges and clearing houses have been the in-house IT departments of these companies, often in combination with larger consulting firms. OM's direct competitors in this area include ATOS Euronext, Euronext, LIFFE and Computershare.

Global Services

OM offers a variety of different services through the business area Global Services. These services target companies operating on the financial and energy markets that need mission critical systems solutions, such as exchanges, clearing houses, banks and brokerage firms. OM assumes full operational responsibility for connectivity solutions, infrastructure and applications management as well as hosting and the integration of new systems.

From operating hubs in Stockholm, London, New York and Sydney, Global Services currently produces more than 38,000 trading hours per year.

Revenue and income

Revenues within Global Services for the first quarter 2003 amounted to SEK 121 m (SEK 139 m) and operating income before depreciation was SEK 15 m (SEK 11 m). The decrease in revenues was mainly due to the decrease in internal sales to Stockholmsbörsen and Jiway. Income improved as a result of cost-efficiency measures implemented in 2002. In 2002, revenues within Global Services totaled SEK 547 m. Operating income before depreciation totaled SEK 66 m.

Solutions, products and services

To service the needs of the market efficiently, Global Services has been divided into a number of different levels, from pure evaluation services to operation and outsourcing solutions within data communications, hosting and applications management services. With OM managing their systems operation and support, customers are free to focus on their core business. At the same time, customers also benefit from considerable economies of scale, and 24/7 operations and support. All of OM's operating hubs work in parallel to guarantee the security of operations and disaster recovery management targeted to fulfill market practice on operational risk management. In addition to finance and energy markets, customers in other segments have chosen to rely on Global Services to host their mission critical systems.

Market

During the latter part of the 1990s, the world's financial and energy markets were characterized by high levels of profitability. The trend to outsource the operations of certain functions was largely driven by the desire to achieve advantages within product and service differentiation, quality and flexibility. In recent years, the driving forces have increasingly been cost-efficiency and risk management. Historically, the financial sector has not used outsourcing to the same extent as other sectors.

International consolidation between banks and brokerage firms is increasing the demand for integrated systems solutions and functionality that enable interaction between different types of systems solutions. For operations and outsourcing service providers this will place even greater demands on expertise, risk management and global infrastructure.

Competition

OM's competitors within this area are companies that offer provision and outsourcing services such as IBM, EDS and Accenture.

STOCKHOLMSBÖRSEN

General

Stockholmsbörsen offers trading, clearing, listing and information services as well as other services relating to equity and fixed-income products.

Stockholmsbörsen's vision is to create an efficient and secure Nordic marketplace to enhance the competitive strength of the region's capital market. Stockholmsbörsen is a member of NOREX, a Nordic exchange alliance with a common exchange system and harmonized regulatory framework. NOREX also comprises Copenhagen Stock Exchange, Oslo Børs, and Iceland Stock Exchange.

Equity trading on Stockholmsbörsen is carried out through OM's SAXESS™ trading system while derivatives trading is carried out through OM's CLICK™ trading system. Both trading systems are order-driven.

Stockholmsbörsen has three main sources of revenue: trading and clearing revenue, issuers' revenue and information revenue. Trading and clearing revenue, which represents the largest portion of total revenue, is derived from trading fees and fees charged for clearing services, where Stockholmsbörsen assumes the counterparty risk in all derivatives trades. Issuers' fees are fees paid annually by each company listed on Stockholmsbörsen. Information revenue comes from the price information that Stockholmsbörsen sells to information vendors, exchange members and retail investors.

In accordance with OM's press release dated 30 June 2003, the restructuring of OM's organization will also have certain effects on Stockholmsbörsen. Please see "OM – Financial summary – Events subsequent to the interim report".

Cash trading	**Derivatives, trading & clearing**	**Listing**	**Information sales**
• Stocks & SDRs	• Stock options	• Stocks, SDRs &	• Cash products
– A-list	• Stock futures	unsponsored listing	• Derivatives
– O-list	• Index options	– A-list	
– X-list	• Index futures	– O-list	
• ETFs	• Fixed income	• Fixed income	
• Convertibles	• Derivatives	• ETFs	
• Warrants	– Swedish	• Warrants	
• Rights	– Norwegian		
• Fixed income	– Danish		

KEY DATA STOCKHOLMSBÖRSEN

	SEK	**EUR**
Cash market data		
Market capitalization, 31 May 2003 (bn)	1 849	203
Market capitalization, 2002 year-end (bn)	1 780	193
Turnover, 2002 (bn)	2 702	295
Daily average turnover, 2002 (bn)	10.8	1.2
Turnover velocity, 2002 (%)	122	122
Number of listed companies (all lists), 2002 year-end	297	297
Number of cash members, 2002 year-end	73	73
Derivatives market data		
Number of traded contracts, 2002 (m)	60.9	60.9
Number of derivative members, 2002 year-end	128	128

TOP TEN ISSUERS BY EQUITY TURNOVER, JANUARY – MAY 2003

	% of total
Ericsson, Telefonaktiebolaget L M	17.2
Nokia Abp	5.7
Hennes & Mauritz AB, H & M	5.6
AstraZeneca PLC	5.3
Nordea AB	5.2
Svenska Handelsbanken AB	4.1
Skandinaviska Enskilda Banken AB	4.0
Sandvik AB	3.9
TeliaSonera AB	3.7
Atlas Copco AB	3.7
Total top ten issuers	**58.5**

Members

Investors around the world can trade Stockholmsbörsen's products through its members, i.e. banks and brokerage firms. By providing an open trading system, easy access and an internationally adapted regulatory framework, Stockholmsbörsen has a broad network of members across Europe. This network gives considerable distribution power to companies and numerous services to investors. Many intermediaries have both spot and derivatives membership, and in total Stockholmsbörsen and OMLX had 154 members at the end of 2002 (Stockholmsbörsen 84 members and OMLX 91 members)[1]. As of 31 May 2003, Stockholmsbörsen and OMLX had in total 141 members (Stockholmsbörsen 79 members and OMLX 87 members)[2]. Remote members of Stockholmsbörsen amounted to 43.

Revenue and income

Revenues within Stockholmsbörsen for the first quarter 2003 amounted to SEK 234 m (SEK 285 m) and operating income before depreciation amounted to SEK 115 m (SEK 116 m). In 2002, revenues totaled SEK 965 m (SEK 1,158 m). This decrease is primarily attributable to reduced equity trading turnover as well as lower option premiums largely resulting from falling share prices. Stockholmsbörsen's operating income before depreciation was SEK 348 m (SEK 303 m) of which Jiway's impact was a negative SEK 75 m (neg: SEK 214 m).

Operations

Trading in financial instruments

Stockholmsbörsen offers trading in equities, premium bonds, convertibles, warrants, bonds (SOX), rights and exchange-traded funds. Stockholmsbörsen also offers trading and clearing in Swedish, Norwegian and Danish equity options, index options and fixed-income derivatives as well as equity futures and index futures.

Central counterparty clearing (CCP) for derivatives products

Stockholmsbörsen offers clearing for both equity-related and fixed-income related derivative products. When Stockholmsbörsen clears a trade, it guarantees the fulfillment of the trade by entering as the counterparty to both the buyer and seller. This creates an efficient market since all participants can act without taking the original counterparty risk into consideration as part of the price picture. As security against the risks that arise from its clearing operations, Stockholmsbörsen requires both its members and investors to pledge collateral. Stockholmsbörsen's clearing operations are located in Stockholm and London. OM also has clearing operations in Calgary, Canada (NGX)[3]. Clearing at OMLX is carried out at the member level, while clearing in Stockholm is at the investor level. At year-end 2002, Stockholmsbörsen had 112,000 (121,000) investors in its clearing operations. In addition to clearing exchange-traded derivatives, Stockholmsbörsen also clears OTC derivatives for instruments traded off-exchange. OMLX also runs clearing operations for UKPX[4]. Both OM and Stockholmsbörsen have many years of experience in offering clearing services and managing clearing risk. For further information, please see section "OM – Operations and Business Areas – Risk management".

Listing services

Stockholmsbörsen primarily lists equities, warrants and bonds in addition to other types of securities. During 2002, it became apparent that an increasing number of companies preferred to list their shares in their country of origin to benefit from the recognition factor and to concentrate liquidity. For companies based in Sweden, Stockholmsbörsen's membership network provides a superior level of access to investors around the world. During 2002, a number of larger companies listed on Stockholmsbörsen chose to de-list from other exchanges. Ten companies were listed during 2002 and 18 companies de-listed from Stockholmsbörsen. The number of companies listed on Stockholmsbörsen at the end of 2002 was 297 (305 as of end 2001). As of 31 May 2003, the number of companies listed on Stockholmsbörsen was 286.

Information distribution

Over 50 Swedish and foreign information vendors purchase trading information from Stockholmsbörsen. These vendors include Bloombergs, Reuters, SIX and Ecovision. In addition, a number of Stockholmsbörsen's members disseminate price information through their own Internet services. To provide more retail investors with access to real-time price information, Stockholmsbörsen lowered the price of this service for information vendors and members in 2002. As at 31 December 2002, Stockholmsbörsen had a total of 56 information vendors and members disseminating its trading information. The year 2002 saw seven new vendor contracts and four vendor cancellations. As of 31 May 2003, Stockholmsbörsen had a total of 53 information vendors and members disseminating information.

1 The figures include 21 members with dual membership.
2 The figures include 25 members with dual membership.
3 In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.
4 In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest UKPX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

Market supervision

Sound, transparent and controlled trading is vital to gain the confidence of all market participants and central to a well functioning equity market. An important part of Stockholmsbörsen's work is the formulation of regulatory frameworks that cover the listed companies and exchange members, as well as supervision to ensure the enforcement of these regulations.

Market surveillance

Market surveillance is responsible for supervising trading on Stockholmsbörsen. Suspect, illegal or otherwise misleading trading that is in breach of legislation or trading regulations is investigated by the SFSA or referred to Stockholmsbörsen's Disciplinary Committee. In 2002, Stockholmsbörsen referred 19 cases to the SFSA relating to suspected insider trading and eight cases of suspected illegal price manipulation. Up to and including May 2003, Stockholmsbörsen has referred an additional 15 cases to the SFSA relating to suspected insider trading and three cases of suspected illegal price manipulation.

A closing call was introduced in 2002 to reduce the risks of substantial price fluctuations in conjunction with closing. A call is a form of electronic auction that gathers together buyers and sellers of equities. In 2002, a new system for real-time market supervision was also introduced.

Information surveillance

Information surveillance ensures that information provided by listed companies complies with Stockholmsbörsen's regulations. In 2002, Stockholmsbörsen introduced stricter listing requirements for exchange-listed companies including stricter listing requirements for the exchange's O-list and compulsory exchange regulations training prior to listing, as well as greater share distribution requirements.

If Stockholmsbörsen suspects that a listed company has acted in breach of its exchange regulations, the matter is dealt with by Stockholmsbörsen's Disciplinary Committee. The Committee handled five cases in 2002, more than in any previous year. All of the companies have been sanctioned through fines. Stockholmsbörsen also de-listed one company for not complying with regulations.

OM London Exchange and the formation of EDX London

OMLX is one of the eight Recognized Investment Exchanges in the United Kingdom authorized by the Financial Services Authority, FSA. OMLX was formed in 1989 and it operates a derivatives exchange that offers trading in Swedish, Norwegian and Danish derivative products. OMLX also operates UKPX[1], the United Kingdom's leading electricity exchange, which has 45 members.

In December 2002, OM, together with LSE, announced plans to form EDX London, a new marketplace for equity derivatives trading. The completion of the agreement for establishing EDX London was conditional, *inter alia*, on the Financial Services Authority's approval of EDX London as a Recognized Investment Exchange for the purpose of the Financial Services and Markets Act 2000, Office and Fair Trading clearance and certain OMLX members' moving to EDX London. OM and LSE agreed on the completion of the formation of EDX London on 27 June 2003 and EDX London commenced trading Scandinavian equity derivatives on 30 June 2003. Ownership of EDX London is divided between Stockholmsbörsen (24 percent) and LSE (76 percent). The new operation will be based on the established Scandinavian derivatives business of OMLX, which was transferred to EDX London as a part of the completion. EDX London will expand this product range and create new business opportunities, initially through the development of clearing services for the growing British OTC market in equity derivatives.

According to the original terms of the transaction, the parties had agreed on a total consideration of GBP 24.0 m payable by EDX London to OM for the transfer of OMLX's Scandinavian derivatives business to EDX London. As a result of lower transaction volumes within OMLX during the first five months of 2003, the parties agreed on certain amendments to the original terms of the transaction in connection with the completion. Under the revised terms, the total consideration payable by EDX London to OM for the transfer of OMLX's Scandinavian derivatives business to EDX London shall be up to GBP 24.0 m. This total consideration is divided into two parts, of which OM has received GBP 12.8 m at completion. The remaining amount of up to GBP 11.2 m forms an additional purchase price, the actual amount of which shall depend on achievement of certain revenue targets by EDX London by 31 December 2005. The additional purchase price (if any) shall be payable by EDX London in the beginning of 2006. OM and LSE will capitalize EDX London in proportion to their shareholding.

[1] In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest UKPX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

The completion of EDX London will have an expected positive net income effect for OM of approximately SEK 100 m, which will be accounted for in the second quarter of 2003. Additional positive net income effect for OM of a maximum of SEK 100 m will be accounted for in 2006, depending upon development of transaction volumes.

In addition to OM receiving future earnings from its 24 percent ownership in EDX London, Stockholmsbörsen will receive an annual contribution from EDX London's future revenues from Swedish derivatives, starting in January 2006.

Please see also "OM – Financial summary – Events subsequent to the interim report".

Jiway

In October 2002, OM decided to close down Jiway, because Jiway's financial performance could not justify the financial support of its operations. The closure was completed in January 2003. All costs for the closure of Jiway were booked in the 2002 accounts.

Jiway was launched by OM (60 percent ownership) and Morgan Stanley (40 percent ownership) in February 2000 as the world's first fully integrated exchange for cross border trading, clearing and settlement. Operations commenced in November 2000. In October 2001, OM took over Morgan Stanley's ownership and restructured the company, thereby substantially reducing its cost base. The year 2002 saw market activity on Jiway increase, although from very low levels. Jiway's income before depreciation during the first quarter 2003 was SEK 0 m (loss: SEK 94 m), including restructuring costs of SEK 0 m (loss: SEK 75 m). Jiway's loss before depreciation in 2002 amounted to SEK 150 m (loss: SEK 718 m), including restructuring costs of SEK 75 m (SEK 408 m).

OM's total estimated net cost, after tax, for Jiway since its inception in 2000 amounts to SEK 668 m. The total cost before tax, including minority interest, is SEK 916 m.

Coming activities

In 2003, Stockholmsbörsen will continue to focus on activities that contribute to instilling greater confidence in the stock market. Stockholmsbörsen will also continue to work on improving its exchange services, in part through its co-operation with other Nordic exchanges and also by extending Stockholmsbörsen's range of products and services

In collaboration with other market participants, Stockholmsbörsen will work towards establishing CCP for the Nordic equity market. A Nordic CCP will allow more secure and efficient securities management and will also secure the Swedish equity market's long-term competitive strength. CCP also reduces counterparty risk, allows for netting of delivery obligations, offers scope for anonymous trading and increases the efficiency of risk management and back office operations. Stockholmsbörsen has acted as central counterparty on the Swedish derivatives market for many years and is therefore well positioned to offer services to the equity market. By introducing CCP to Swedish equity trading, Stockholmsbörsen is modernizing and adapting the Swedish market in line with current European standards.

Competition

As trading becomes increasingly automated, exchanges today not only compete with one another but also with alternative marketplaces and major banks that internalize trades. In addition, there is a competing trade in equities and derivatives off-exchange in the OTC market.

The seven largest European exchanges represent more than 95 percent of total European equity trading turnover, which in 2002 exceeded SEK 90,000 billion[1]. Europe's largest stock exchanges are LSE, Euronext and Deutsche Börse. Stockholmsbörsen is Europe's seventh largest stock exchange. In terms of the trade in equity-related derivative products, the top European exchanges are Eurex (a subsidiary of Deutsche Börse), Euronext and Stockholmsbörsen. For equity trading, Stockholmsbörsen competes primarily with Nasdaq, New York Stock Exchange, Helsinki Exchanges, LSE and Swiss Exchange. For derivatives trading, Stockholmsbörsen competes primarily with Eurex, Chicago Board Options Exchange, LIFFE (a subsidiary of Euronext) and American Stock Exchange. Recently, Nordic Growth Market (NGM) became an authorized stock exchange in Sweden.

During 2002, a couple of European exchanges approached Swedish companies in an attempt to gain their listing. However, the trend in 2002 was the opposite as an increasing number of Swedish companies instead chose to de-list from other exchanges. Stockholmsbörsen has thereby strengthened its position as the leading exchange for Swedish-based companies.

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1 Source: The Federation of European Securities Exchanges (FESE), please see "OM HEX – Group overview – Background and motives to the combination".

RISK MANAGEMENT

General

OM's business operations place great demands on risk management. The business area Stockholmsbörsen includes exclusively operations that are the subject of legislation and external regulation. Similar conditions apply to a great extent to those parts of OM's technology operations that provide systems solutions, systems operations and other services for exchanges, clearing houses and other types of supervisory regulated institutions in various countries. Decentralized risk taking and risk management are coordinated and controlled on the group level.

During the past year, steps were taken to develop OM's risk management in relation to revenue fluctuations, cost restructuring and profitability. A decision was made to create a framework for the risk management process within OM's "Corporate Governance Risk Management Process." Work will be carried out in OM's business areas with reference to business risk, the work process, accounting and the internal audit.

OM's work relating to operational risks aims to protect group assets and create the prerequisites for achieving established commercial objectives. The objective is to minimize operational risks and disruptions and maintain an adequate level of protection founded on the needs of internal and external actors such as OM's owners, customers, authorities and other interested parties.

OM has a management system for security and operational risks consisting of an independent security organization, framework and reporting structure. The Group Security unit manages and co-ordinates this work, as well as the group's crisis management. The head of Group Security reports periodically in OM's Security Management Committee on the group's consolidated risks.

Operational risk management as well as continuity planning and incident management is carried out within each business area and company in its role as risk owner. The risk management process consists of four sub-processes: risk analysis, risk prevention measures, damage limitation measures and risk financing measures.

Financial risks

Through its operations, OM is exposed to different types of financial risks. The management of these risks and transactions is centralized within OM's internal bank, OM Treasury. The group's management of currency risks, interest rate and financing risks as well as liquidity and credit risks is discussed in greater detail in note 24 to the financial statements (please see section "Appendix A – Financial information – OM").

Stockholmsbörsen and NGX

Stockholmsbörsen, including its subsidiary OMLX, and NGX, offer exchange trading, derivatives clearing, listing, training and market information services.[1] These businesses face traditional business risks, and they also face risks that are unique to providing clearing services. The unique risks associated with the derivatives clearing business arise as a result of Stockholmsbörsen, OMLX and NGX assuming the counterparty risk in all transactions that are cleared for their respective markets. In providing clearing services, Stockholmsbörsen, OMLX and NGX guarantee that their cleared contracts will be honored. The risks that are particularly associated with the derivatives clearing business include counterparty risks, market risks, settlement risks and concentration risks as well as operational risks. Stockholmsbörsen, OMLX and NGX manage their specific risks within Clearing Operations and Risk Management in order to monitor, measure and properly manage these clearing related risks. The most noteworthy risk associated with clearing operations is the risk that one or several clearing participants will default on their obligations. The ability of Stockholmsbörsen, OMLX and NGX to manage "default risk" is dependent upon several factors including the control of the clearing operations, control of the collateral that is pledged, pro-active risk management, a sound legal foundation and the financial strength of Stockholmsbörsen, OMLX and NGX. It is important to note that while each clearing counterparty has certain rights and benefits from the clearing services provided by Stockholmsbörsen, OMLX and NGX, they must also accept certain obligations and responsibilities. One of the primary obligations of clearing counterparties is to pledge required amounts of eligible collateral to Stockholmsbörsen, OMLX and NGX in accordance with the respective rules and regulations to serve as security for the counterparty risks that are undertaken. In addition to the collateral pledged, Stockholmsbörsen, OMLX and NGX maintain established risk policies, guidelines, rules and procedures that are specifically designed to ensure that these risks are well managed. For further information, please see section "Risk factors – Operational risks – OM HEX will be exposed to clearing risk".

For more information on Stockholmsbörsen's operational risks, please see section "OM – Financial summary – Sensitivity analysis".

[1] In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

Technology operations

The business areas within OM's technology operations provide systems solutions, systems operations and other services for exchanges, clearing houses and other financial and energy market institutions. The specific risks contained within OM's technology operations relate primarily to the different phases in providing a service. These include the sales phase, delivery and implementation phase and production phase. The sales phase includes risks such as loss of earnings and currency risks. Risks are managed by each business area although they are coordinated and supported by business controllers and centralized functions. Operational risks, as well as quality aspects, are managed during the implementation and delivery phases, as well as in the production phase. As previously mentioned, risks are managed within each business area and unit, and coordinated and supported by the central function, Group Security.

For more information on OM Technology's operational risks, please see section "OM – Financial summary – Sensitivity analysis".

EMPLOYEES

At 31 May 2003, OM had employees in 10 (31 December 2002: 10) different countries. The number of employees at 31 May 2003 was 1,564 (1,633), of which 194 (237) were employed within exchange operations, 1,274 (1,302) within OM's technology operations and 96 (94) in the parent company. Please see "OM – Financial summary – Events subsequent to the interim report" for information on estimated redundancies and the concentration of OM's operations to fewer offices as a result of the implementation of OM's cost reduction program.

In order to maintain its position as a growth company in the long term, it is vital to retain competence within the company. Therefore, OM offers employees a competitive remuneration package, where financial rewards are linked to effort and results both in the long and short term. OM's remuneration program, "Achievers in motion", was first introduced in 2000. The purpose of the program is to increase OM's attractiveness as an employer, while increasing employee focus on shareholder value. The remuneration program comprises a number of parts, the largest of which is fixed salary. In addition, there is a discretionary bonus to reward individual performance and a long-term incentive scheme that has included a global employee stock option program during the past three years (see also "OM – Shares, share capital and shareholder structure – Incentive schemes").

The proportion of employees employed outside of Sweden in 2002 was 30 (30) percent, or 491 (474) persons. The increase can be attributed to the contract with SFE Corporation in Sydney, from which OM gained 29 employees.

At the year-end, OM had operations in Sweden, Denmark, Norway, the US, Canada, the UK, Germany, China, Italy and Australia. In five of these countries (Sweden, Norway, the UK, Australia and the US), OM also runs its own development operations.

EMPLOYEES

	31 May 2003	31 December 2002	31 December 2001	31 December 2000
Technology operations total	1 274	1 302	1 170	1 004
Stockholmsbörsen	194	237	293	259
Parent company	96	94	120	91
Total	**1 564**	**1 633**	**1 583**	**1 354**
of which				
in Sweden	1 125	1 142	1 109	872
abroad	439	491	474	482

Table: Number of employees during the past three years under the old organization (until 31 December 2002).

FINANCIAL SUMMARY

Five-year key figures

For the complete financial statements and OM's annual report for the year 2002, please see section "Appendix A – Financial information – OM".

SEK m (unless otherwise stated)	2002 EUR m	2002	2001	2000	1999	1998
Income statement						
Net sales	289	2 640	3 072	3 152	1 954	1 567
Operating expenses before depreciation and items affecting comparability	-246	-2 247	-2 718	-2 235	-1 265	-1 087
Depreciation	-35	-323	-359	-229	-169	-105
Items affecting comparability	-14	-132	-481	5	-	-
Share in associated companies	4	38	33	10	3	-
Operating income	-3	-24	-453	703	523	375
Net financial items	-3	-32	-16	40	80	105
Income after financial items	-6	-56	-469	743	603	480
Minority interest	0	0	211	114	-8	-5
Net income	-8	-71	-25	730	444	381
Balance sheet						
Cash and short term investments	139	1 275	1 654	1 992	1 607	1 652
Total assets	535	4 920	5 985	5 459	4 123	3 486
Shareholders' equity	219	2 017	2 257	2 986	2 808	2 740
Interest-bearing financial liabilities	224	2 058	2 132	643	512	77
Non-interest-bearing liabilities	75	694	972	1 386	664	532
Capital employed	443	4 075	4 389	3 811	3 337	2 837
Interest-bearing net debt	73	669	119	-1 349	-1 167	-1 575
Number of employees (average)	1 677	1 677	1 516	1 242	805	507
Investments and cash flow						
Total investments	42	387	1 041	1 010	411	1 146
- acquisition goodwill	5	42	168	66	63	934
- investments in equipment	8	75	409	336	100	79
- investments in research and development	28	254	394	608	248	133
- of which expensed	16	146	289	287	175	87
- other investments	2	16	70	-	-	-
Cash flow from operations	10	89	-297	1 153	402	375
Ratios						
Operating margin before depreciation, %	15	15	12	29	35	31
Operating margin, %	-1	-1	-15	22	27	24
Net margin, %	-3	-3	-1	23	23	24
Return on capital employed, %	2	2	-8	25	20	22
Return on equity, %	-3	-3	-1	25	16	14
Equity/assets ratio, %	41	41	37	55	68	79
Interest cover, times	0.6	0.6	-2.0	6.4	23.3	161.0
Net debt/equity ratio, %	33	33	5	-43	-41	-57
Investments in equipment/net sales, %	3	3	13	11	5	5
Investments in research and development/net sales, %	10	10	13	19	13	8
Value of orders	339	3 118	3 599	3 008	1 303	724
Key figures per share						
Earnings per share, SEK	-0.09	-0.85	-0.30	8.69	5.30	4.55
Earnings per share after full conversion, SEK	-0.09	-0.85	-0.30	8.61	5.23	4.50
Cash flow per share, SEK	0.12	1.06	-3.53	13.72	4.80	4.48
Cash flow per share after full conversion, SEK	0.11	1.05	-3.50	13.59	4.74	4.42
Shareholders' equity per share, SEK	3	24	27	36	34	33
Shareholders' equity after full conversion per share, SEK	3	24	27	35	33	33
Dividend per share, SEK	0.11	1.00	1.00	6.00	5.00	4.50
Dividend as percent of earnings, %	-	-	-	69	94	99
Number of shares at 31 Dec, m	84.04	84.04	84.04	84.04	83.70	83.70
Number of shares at 31 Dec, after full conversion, m	84.82	84.82	84.82	84.82	84.82	84.82
Average number of shares, m	84.04	84.04	84.04	83.91	83.70	77.21

SEK m (unless otherwise stated)	2002 EUR m	2002	2001	2000	1999	1998
Price related data						
Share price at 31 Dec, SEK	4.5	41.6	138	233	185	102
Highest share price during period, SEK	16.5	152	280	519	195	203
Lowest share price during period, SEK	2.6	24	65	173	83	95
Mid share price during period, SEK	4.5	41.6	138	232	183	102
Market value of shareholders' equity as of 31 Dec, SEK m	380	3 496	11 598	19 580	15 493	8 542
Share price/Shareholder's equity per share, %	1.8	1.8	5.1	6.7	5.6	3.1
Direct yield, %	2.4	2.4	0.7	2.6	2.7	4.4
Price/earnings multiple at 31 Dec	-	-	-	27	27	35
Average number of OM shares traded per day, 000s	204	204	166	182	154	139
- as % of average number of shares	0.2	0.2	0.2	0.2	0.2	0.2
Average value of OM shares traded per day	1.7	15.5	24.4	67.6	17.1	18.5

Definitions

- *Operating margin before depreciation*
  Total revenues less personnel expenses and other operating expenses as a percentage of revenues.
- *Operating margin*
  Operating income as a percentage of revenues.
- *Net margin*
  Net income as a percentage of revenues.
- *Return on capital employed*
  Income after net financial items plus financial expenses for the period as a percentage of average capital employed. Capital employed is defined as balance sheet total less non-interest-bearing liabilities.
- *Return on equity*
  Net income for the period as a percentage of average shareholders' equity.
- *Equity/assets ratio*
  Shareholders' equity and minority interest as a percentage of total assets.
- *Interest cover*
  Income after net financial items plus financial expenses divided by financial expenses.
- *Net debt/equity ratio*
  Interest-bearing net debt as a percentage of shareholders' equity and minority interest.
- *Cash flow per share*
  Cash flow from operations divided by number of outstanding shares.
- *Earnings per share*
  Net income divided by number of outstanding shares.
- *Equity per share*
  Shareholders' equity divided by number of outstanding shares.

Comments on the financial development – Summary of the Board of Directors' reports for the financial years 2002, 2001 and 2000

2002 compared with 2001

2002 was characterized by considerable uncertainty surrounding the global economy. Against a backdrop of weakened demand within all of the markets on which it operates, OM continued to adapt its operations through cost-reduction measures. However, despite weak market conditions, the last quarter in 2002 saw a number of positive business developments, including the announcement that OM plans to create EDX London together with LSE. At the end of the quarter, OM also won a major system and maintenance order from the world's leading electricity exchange, Nord Pool. To adapt OM's operations to a lower level of market activity, OM implemented a number of cost-reduction measures during the year. These included a group-wide cost-reduction program as well as the closure of Jiway. As a result, OM's operating income increased in 2002, despite lower revenues than for 2001.

OM's revenues fell by 14 percent to SEK 2,640 m (SEK 3,072 m). Operating loss for 2002 totaled SEK 24 m (loss: SEK 453 m). This figure includes items affecting comparability comprising total restructuring expenses of SEK 132 m (SEK

481 m), of which SEK 57 m (SEK 73 m) relates to the cost-reduction program and SEK 75 m (SEK 0 m) to the closure of Jiway. Income also includes the gain on the sale of shares in Orc Software of SEK 75 m (SEK 95 m). Return on capital employed amounted to 2 percent (neg: 8 percent).

Weak markets, postponed investment decisions by customers and lower internal sales levels have characterized OM's technology operations throughout 2002. Revenues for OM's technology operations fell by 16 percent to SEK 1,899 m (SEK 2,265 m). In order to adapt operations, cost-reduction measures were implemented during the year and expenses fell by 13 percent to SEK 1,939 m (SEK 2,219 m), year-on-year. At the end of 2002 the order value was SEK 3,118 m (SEK 3,599 m), of which orders for SEK 1,135 m (SEK 1,220 m) were due for delivery in the coming 12 months. The total order value from Stockholmsbörsen decreased to SEK 782 m (SEK 957 m), primarily due to the closure of Jiway and the formation of EDX London. Operating income before depreciation within OM's technology operations amounted to SEK 169 m (SEK 236 m), representing an operating margin before depreciation of 13.0 percent (12.5), excluding internal sales. This includes SEK 75 m (SEK 95 m) in income from the sale of shares in Orc Software and SEK 64 m (SEK 34 m) from losses in UKPX. Internal sales from OM's technology operations to Stockholmsbörsen fell to SEK 241 m (SEK 376 m) over the year, primarily due to the closure of Jiway.

The equity market was extremely turbulent throughout 2002. At the year-end, Stockholmsbörsen's OMX index had fallen 42 percent (20) over the year. Falling share prices led to considerably lower turnover levels in SEK terms year-on-year, despite the fact that trading activity levels continued to be relatively high. Stockholmsbörsen's revenues in 2002 totaled SEK 965 m (SEK 1,158 m). The fall in trading revenues was largely due to reduced equity trading turnover as well as lower option premiums, largely necessitated by falling share prices. Issuers' revenue, i.e. fees paid by companies listed on the exchange, increased during 2002 primarily due to the fee increase introduced at the start of the year. Revenues generated from information sales totaled SEK 117 m (SEK 131 m). Stockholmsbörsen's operating income before depreciation amounted to SEK 348 m (SEK 303 m) on which Jiway had negative impact of SEK 75 m (neg: SEK 214 m). Stockholmsbörsen's expensed R&D investments during the year totaled SEK 14 m (SEK 27 m).

During 2002, Stockholmsbörsen changed its credit insurance structure. Please see "Financial information OM – Board of Directors' report for the financial period 1 January – 31 December 2002".

In October, a decision was taken to close down Jiway, which had been part of Stockholmsbörsen business area throughout 2002. The closure of Jiway will be completed during January 2003 and is expected to reduce both Stockholmsbörsen and OM's operating expenses by around SEK 80 m compared with 2002.

OM's total assets decreased by SEK 1,065 m to SEK 4,920 m. The equity/assets ratio increased to 41 percent (37 percent in 2001). OM's net debt increased to SEK 669 m in 2002 from SEK 119 m in 2001, due to the redistribution of collateral for OM's employee stock option program, cash flow from operations and closure of Jiway. Despite weak profitability the financial position of OM remained solid. Interest-bearing financial assets totaled SEK 1,389 m (SEK 2,013 m), of which SEK 109 m (SEK 359 m) were financial fixed assets. Interest-bearing financial liabilities amounted to SEK 2,058 m (SEK 2,132 m) of which SEK 256 m (SEK 55 m) were long-term. Available credit facilities totaled SEK 3,700 m (SEK 2,910 m) of which SEK 2,049 m (SEK 2,060 m) was utilized. The lifetime of the loan portfolio was extended through a long-term credit of SEK 200 m.

In December, OM and LSE announced plans to form a new international marketplace for equity derivatives trading – EDX London. The new operation will be based on the derivatives business of OM's subsidiary in London, OMLX. EDX London will, together with London Clearing House, expand the product range and create new business opportunities, initially through the development of clearing services for the growing British OTC market in equity derivatives.[1]

EDX London will be owned by OM through Stockholmsbörsen (24 percent) and LSE (76 percent). Upon completion of the transaction, EDX London will pay approximately SEK 340 m (GBP 24 m) in consideration to OM for the assets contained within OM London Exchange's (OMLX) equity derivatives business. For OM, the transaction will have a net impact on income of approximately SEK 190 m during 2003. In addition to the portion of EDX London's future income that OM will receive through its 24 percent ownership, as agreed, Stockholmsbörsen will receive an annual percentage of EDX London's future revenue from Swedish equity derivatives. Based on 2002 revenue and expenditure levels for OM London Exchange's equity derivatives business, the formation of EDX London will have a neutral effect on OM's operating income. This includes the annual percentage that Stockholmsbörsen will receive from EDX London's revenue from

[1] As a result of lower transaction volumes within OMLX during the first five months of 2003, the parties agreed on certain amendments to the original terms of the transaction in connection with the completion of the formation of EDX London on 27 June 2003. Please see "OM – Stockholmsbörsen – Operations – OM London Exchange and the formation of EDX London" and "OM – Financial summary – Events subsequent to the interim report" for further information.

Swedish equity derivatives, but excludes the revenue effects of the transaction as well as the income from OM's technology operations on selling the systems and facility management services to EDX London and LSE. Revenue from OMLX's derivatives business totaled SEK 108 m (SEK 152 m) in 2002, and operating income excluding depreciation was SEK 16 m (SEK 35 m).

OM's technology operations are currently involved in two legal disputes. For further information, please see "Appendix A – Financial information OM – Board of Directors' report for the financial period 1 January – 31 December 2002".

The cost-reduction program implemented during the second quarter 2002 is expected to have full effect during the first quarter 2003, representing an annual saving of SEK 180 m based on operating levels during the second quarter 2002.

In May 2002, the Board of Directors of OM decided to introduce a new stock option program aimed at all group employees. For further information, please see "Appendix A – Financial information OM – Board of Directors' report for the financial period 1 January – 31 December 2002".

The number of employees in the group totaled 1,633 (1,583) at the year-end of which 491 (475) were employed outside of Sweden.

The dividend for 2002 to shareholders was SEK 1 per share, totaling SEK 84 m.

2001 compared with 2000

The year 2001 was characterized by continued growth within technology operations, heavy non-recurring expenses related to the restructuring of Jiway and the expense reduction program. OM was affected early on in the recession and market conditions in many of the markets in which OM operates weakened during the year. Developments were mixed within OM's exchange operations. Equity trading turnover fell at the same time as there was an increase in the number of derivative contracts traded. However, throughout the year OM continued to gain market shares for both its technology and its exchange operations.

OM's revenues decreased by 3 percent to SEK 3,072 m (SEK 3,152 m), revenues in OM's technology operations increased by 30 (90) percent and revenues in Stockholmsbörsen decreased by 26 (increase by 27) percent. The lower turnover in Stockholmsbörsen was due to lower market capitalization and trading activity, and the reduction in fees for derivatives trading.

Operating loss for 2001 totaled SEK 453 m (profit: SEK 703 m). This figure includes items affecting comparability charged against income of SEK 481 m (SEK 5 m), including SEK 408 m relating to restructuring charges for Jiway and SEK 73 m in implementation costs for the rationalization program. Total costs for Jiway affecting operating income amounted to SEK 832 m. Income also includes the result from the sale of shares in Orc Software of SEK 95 m (SEK 250 m). Return on capital employed totaled minus 8 percent (plus 25 percent in 2000).

Growth continued within OM's technology operations during 2001 with OM continuing to expand its share of the market. Year-on-year revenues increased by 30 (90) percent, from SEK 1,523 m to SEK 1,986 m. Excluding the sale of shares in Orc Software, the division's revenues rose by 49 (55) percent. By the year-end the value of orders amounted to SEK 3,599 m (SEK 3,008 m) of which orders worth SEK 1,220 m (SEK 1,014 m) were due for delivery in 2002. Orders relating to OM's exchanges amounting to SEK 957 m (SEK 784 m) are included in the order value. The operating income before depreciation totaled SEK 323 m (SEK 445 m). The operating margin before depreciation, excluding the sale of shares in Orc Software as well as internal sales, was 15 (20) percent during the reporting period. Internal sales to OM's exchanges totaled SEK 401 m (SEK 301 m).

Revenues generated by the Transaction division totaled SEK 1,260 m (SEK 1,699 m) during 2001. This decrease in revenues compared with 2000 is due primarily to lower market values and lower equity trading activity as well as fee reductions for equity derivatives trading. Income before depreciation in the division amounted to SEK 517 m (SEK 954 m). Expensed investments in research and development amounted to SEK 27 m (SEK 87 m). In 2001, Transaction division included Stockholmsbörsen, OM Fixed Income Exchange, OM London Exchange, XACT Fonder, Lendtech, NGX, UKPX, Pulpex and OM Environment Exchange. Since 1 January 2001, OM owns 100 percent (previously 51 percent) of NGX.

OM's total assets increased to SEK 5,985 m due to increased collaterals for OM's employee stock option program and deposits for premises. The equity/assets ratio decreased to 37 percent (55 percent in 2000). OM's net debt increased to SEK 119 m in 2001 from SEK -1,349 m in 2000. Available credit facilities totaled SEK 2,910 m (SEK 3,300 m) of which SEK 2,060 m (SEK 480 m) was utilized. Interest-bearing financial assets totaled SEK 2,013 m (SEK 1,992 m), of which SEK 359 m (SEK 0 m) were financial fixed assets. Interest-bearing financial liabilities amounted to SEK 2,132 m (SEK 643 m), of which SEK 55 m (SEK 55 m) were long-term.

In February 2000, OM (60 percent), together with Morgan Stanley Dean Witter (40 percent), announced its plans to launch Jiway, the world's first fully integrated stock exchange. Jiway opened in November 2000 and offered cross-border trading, clearing and settlement in over 6,000 equities via one single transaction point. Jiway had an operating loss of SEK 339 m in 2000, of which OM's expenses after tax and capital gains on the sale of OM VPA to Jiway came to an expense of SEK 100 m. OM's technology operations provided Jiway with trading systems. The total value of the order was around SEK 545 m over five years.

At the beginning of June 2000, OM opened the UK's first electricity exchange, UKPX. In February 2000, OM acquired 51 percent of NGX from Westcoast Energy.

On 11 September 2000, OM announced its formal offer to acquire all of the shares in LSE. The background to the offer was the conviction that OM and the LSE were two companies with complementary operations that together could achieve significant synergies leading not only to cost reductions but also to increased earning potential from trading related services. However, at the closing date on 10 November 2000 only 6.7 percent of LSE's owners had accepted OM's offer and the offer was consequently withdrawn. OM's costs for the offer process, covering mainly consultants' fees and financing costs, amounted to approximately SEK 95 m.

On 19 October 2000, Orc Software was listed on the OM Stockholm Exchange's O list. In conjunction with the listing, OM disposed of 2.5 m of its total holding of 8.5 m shares, resulting in a capital gain of SEK 250 m.

At the year-end, OM had 1,354 (994) employees, of which 482 (350) were employed outside of Sweden.

The dividend to shareholders for 2000 was SEK 6 per share, totaling SEK 504 m.

Investments including research and development

(SEK m)	**2002**	**2001**	**2000**
Investments per business area			
Technology operations	368	796	520
Stockholmsbörsen	19	169	127
Jiway	-	58	316
Other	-	18	47
Total investments	**387**	**1 041**	**1 010**
– of which expensed	**146**	**289**	**287**

(SEK m)	**2002**	**2001**	**2000**
Investments per type			
Equipment	75	409	336
Research and development	254	394	608
- of which expensed	146	289	287
Goodwill	42	168	66
Other	16	70	-
Total investments	**387**	**1 041**	**1 010**
– of which expensed	**146**	**289**	**287**

2002

Investments in 2002 totaled SEK 387 m, of which SEK 146 m was expensed in the income statement. Larger investments included investments in systems (EXIGO CSD™ and CLICK™) of SEK 90 m, investments in equipment of SEK 75 m and goodwill from the acquisition of 50 percent of PCS AS of SEK 42 m. Of the total investments of SEK 387 m, investments in research and development amounted to SEK 254 m. Of the investments in research and development, SEK 240 m was allocated to OM's technology operations and SEK 14 m was allocated to Stockholmsbörsen. OM financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 76 percent were booked in Sweden and the rest abroad.

2001

Investments in 2001 totaled SEK 1,041 m, of which SEK 289 m was expensed in the income statement. Larger investments included investments in equipment (property in New York and London) of SEK 230 m, goodwill from acquisi-

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On 19 October 2000, Orc Software was listed on the OM Stockholm Exchange's O list. In conjunction with the listing, OM disposed of 2.5 m of its total holding of 8.5 m shares, resulting in a capital gain of SEK 250 m.

At the year-end, OM had 1,354 (994) employees, of which 482 (350) were employed outside of Sweden.

The dividend to shareholders for 2000 was SEK 6 per share, totaling SEK 504 m.

INVESTMENTS INCLUDING RESEARCH AND DEVELOPMENT

(SEK m)	2002	2001	2000
Investments per business area			
Technology operations	368	796	520
Stockholmsbörsen	19	169	127
Jiway	-	58	316
Other	-	18	47
Total investments	**387**	**1 041**	**1 010**
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2001

Investments in 2001 totaled SEK 1,041 m, of which SEK 289 m was expensed in the income statement. Larger investments included investments in equipment (property in New York and London) of SEK 230 m, goodwill from acquisitions of a minority stake in Energy Systems AS, PCS AS and Twobyfour Systems AB of SEK 162 m and investments in systems of SEK 144 m. Of the total investments of SEK 1,041 m, investments in research and development amounted to SEK 394 m, corresponding to 12.8 percent of net sales. Of the investments in research and development, SEK 309 m was allocated to OM's technology operations, SEK 27 m to Stockholmsbörsen and SEK 58 m to Jiway. OM financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 60 percent were booked in Sweden and the rest abroad.

2000

Investments in 2000 totaled SEK 1,010 m, of which SEK 287 m was expensed in the income statement. Larger investments included investments in systems (mainly Jiway) of SEK 330 m, equipment (mainly Jiway) of SEK 56 m and goodwill of SEK 35 m from the acquisition of NGX. Of the total investments of SEK 1,010 m, investments in research and development amounted to SEK 608 m, corresponding to 19.3 percent of net sales. Of the investments in research and development, SEK 241 m was allocated to OM's technology operations, SEK 142 m to Stockholmsbörsen and SEK 225 m to Jiway. OM financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 64 percent were booked in Sweden and the rest abroad.

Ongoing investments

Approved and ongoing investments total SEK 246 m of which investments within Stockholmsbörsen amounts to SEK 66 m, including the information system MDDS (Market Data Distribution System) and investments within OM's technology operations equal SEK 175 m (mainly EXIGO CSD™). OM intends to finance investments with cash flow from its operations and borrowings. Of the non-expensed investments, 96 percent will be booked in Sweden and the rest abroad.

Sensitivity analysis

OM's earnings are sensitive to various factors, the most important of which are presented below. To simplify the sensitivity analysis, it has been assumed that conditions other than the ones analyzed remain unchanged. For information on currency risks, please see Note 24 in "Appendix A – Financial information – OM – Notes to the financial statements".

The analysis is divided into factors related to Stockholmsbörsen and OM's technology operations respectively.

OM's technology operations

The main sources of revenue from OM's technology operations are license, project and support revenue (56 percent of revenue from technology operations) and facility management revenue (31 percent).

License, project and support revenue

License, project and support revenue from systems solutions developed and sold by OM arises primarily within Financial Markets and to a certain extent, Banks & Brokers.

After OM has developed and sold a systems solution, the customer licenses the right to use the software. Each customer project involves individual adaptations to their specific requirements, relating to functionality and capacity as well as development, testing and installation work, all of which generate project revenue that is invoiced continuously upon each degree of completion. When OM provides a systems solution, OM undertakes to continuously improve, develop and maintain the solution for which it receives recurring support revenue.

As regards major systems solutions for customers such as exchanges and clearing houses, license and project revenues are mainly fixed and are paid in relation to the degree of completion. Support revenue is mainly fixed and contracts usually run for five years. A certain portion of license revenue is also recurring with longer contracts. As for systems solutions to market participants such as banks and brokerage firms, license fees are mainly variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

Revenue from Facility Management services

Facility Management services are services where OM is responsible for the continuous technical support of a systems platform for a customer, for which OM receives recurring facility management revenue within its Banks & Brokers and Global Services business areas. Revenue from Facility Management services can be both fixed and volume based. Contract times vary between one and seven years.

Other revenue
Other revenue in OM's technology operations consists primarily of trading and clearing revenue from the energy exchanges NGX and UKPX[1], as well as internal sales to OM's other units (non-technology operations) relating to common services. Other revenue also includes some re-sale of third party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. During the third quarter 2000, second quarter 2001 and second quarter 2002, other revenue included proceeds from the sale of shares in the associated company Orc Software.

Stockholmsbörsen

Stockholmsbörsen's main sources of revenue are trading revenue (60 percent of Stockholmsbörsen's total revenue), issuers' revenue (18 percent) and information revenue (12 percent).

Trading revenue
During 2002, 44 percent of Stockholmsbörsen's trading revenue derived from equity cash trading and 56 percent from trading and clearing derivatives products.

For trading revenue from equities, the two most important parameters are the value in equity turnover and the number of equity transactions. A one percent change in the value of the average daily equity trading volume would, on an annual basis and assuming an unchanged number of transactions, have a SEK +/- 2.2 m impact on trading revenue, calculated on trading levels in 2002.

For revenue from trading and clearing derivatives products, the two most important parameters are the number of derivatives contracts traded and the size of the option premiums. A change in the average daily derivatives turnover of 1,000 contracts would, on an annual basis and assuming an unchanged average options premium and product mix, have a SEK +/- 1.3 m impact on trading revenue, calculated on trading levels in 2002.

Issuers' revenue
Issuers' revenue derives from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. A ten percent change in the total market capitalization would have a +/- 3 percent impact on issuers' fees, which is the equivalent of SEK +/- 4.6 m on an annual basis, calculated on trading levels in 2002.

Information revenue
Stockholmsbörsen sells trading information to over 50 Swedish and international companies who disseminate this information to a large number of end-users. Information dissemination is invoiced in arrears, and charges vary according to the number of end-users.

Other revenue
Other revenue includes primarily training revenue and interest on collateral pledged by members of OMLX.

Events subsequent to the interim report

OM published its interim report for the period January – March 2003 on 16 April 2003. The most important events after that date are described below.

On 20 May 2003, OM and HEX announced the signing of the Combination Agreement. Please see section "Summary – The Offer and combination in brief".

In accordance with OM's press release dated 20 May 2003, Per E. Larsson left his position as President and CEO of OM on 30 May 2003. Magnus Böcker has been appointed as Acting President and CEO. Please see section "OM – Board of Directors, management team and auditors – Board of Directors".

In accordance with OM's press release dated 10 June 2003, as a part of OM's ongoing organizational change process, OM's central business support functions are being organized into three units: Finance, Marketing & Communications and Staff Functions. Pernilla Gladh has been appointed to head the Staff Functions unit and Bo Svefors to head the new Marketing & Communications unit. Per Nordberg continues to be responsible for Finance. Please see section "OM – Board of Directors, Management team and auditors – Management team".

1 In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX and UKPX. Please see "OM – Financial summary – Events subsequent to the interim report".

On 27 June 2003, OM published the following press release regarding the completion of the formation of EDX London by LSE and OM.

"EDX London to begin trading 30 June 2003

EDX London, a new equity derivatives business jointly owned by London Stock Exchange plc and OM AB, will commence trading Scandinavian equity derivatives on Monday 30 June 2003. Completion of this deal follows EDX London's approval as a Recognised Investment Exchange by the Financial Services Authority. See also today's joint press release on www.om.com.

The completion of EDX London will have an expected positive net income effect for OM of approximately SEK 100 m, which will be accounted for in the second quarter of 2003. Additional positive net income effect for OM of a maximum of SEK 100 m will be accounted for in 2006, depending upon development of transaction volumes.

In addition to OM receiving future earnings from its 24 per cent ownership in EDX London, Stockholmsbörsen will receive an annual contribution from EDX London's future revenues from Swedish derivatives, starting in January 2006.

EDX London will pay OM a consideration of up to £24.0 million (SEK 329 m) for the transfer of the Scandinavian equity derivatives business of OM London Exchange. An initial payment of £12.8 million (SEK 180 m[1]) will be paid on completion, with an additional payment of up to £11.2 million (SEK 149 m[2]) payable on achievement of certain revenue targets by EDX London by 31 December 2005. The amendment of terms, in relation to what was originally announced, is a result of lower transaction volumes within OM London Exchange during the first five months of 2003.

OM and LSE will in proportion to its holdings (OM 24 per cent and LSE 76 per cent) capitalise EDX London.

Assuming the same revenue and cost levels for OM London Exchange's Scandinavian equity derivatives business as in the first quarter of 2003, the effect on OM's operating profit is expected to be neutral. This estimation excludes the capital gain from the transaction."

Please see also "OM – Stockholmsbörsen – Operations – OM London Exchange and the formation of EDX London".

On 30 June 2003, OM published the following press release:

"OM streamlines and focuses on financial markets

OM is implementing a cost reduction program which is estimated to lower the company's costs by SEK 578 m and result in lower revenues of SEK 105 m on a yearly basis. These measures aim to achieve sound profitability and create a stronger company in preparation for the merger with HEX. OM's markets remain weak and no turnaround is expected in the short term. As a result, OM has decided to streamline and focus its business on the financial markets.

- Effective July 1, 2003, OM will be organized in two divisions, Stockholmsbörsen and OM Technology. OM Technology, in turn, will consist of three business areas: Banks & Brokers, Financial Markets and Global Services.
- The Energy Market business area and the OM Technology product portfolio will be restructured at the same time as changes are being made within the parent company and Stockholmsbörsen. In addition, OM's operations will be concentrated in fewer offices.
- The total costs of implementing these measures is estimated at SEK 623 m before tax (SEK 544 m after tax) which will be expensed in the results for the second quarter 2003. The total negative effect on cash flow is estimated at SEK 193 m.
- Of OM's more than 1 600 positions, further redundancies of approximately 140 positions will be made. This is in addition to the just over 100 redundancies communicated earlier (see press release from March 5, 2003).

"Implementing these measures will enable OM to reach an acceptable level of profitability within all business areas from the first quarter 2004. When these steps have been completed, OM will be a strong and profitable company that is better positioned to capitalize on all the interesting opportunities on our markets," says Magnus Böcker, acting CEO OM.

1 OM has a currency hedge at SEK/GBP 14.08 related to the transaction.
2 At SEK/GBP 13.28 as of 26 June 2003.

OM's energy market business is being restructured and consolidated
The UKPX and NGX energy exchanges will be divested and OM is currently in discussions with a number of industry players. At the same time, a review of the product portfolio targeted at energy market end customers will be carried out. In order to increase cost-efficiency within OM, the marketplace and clearing systems for energy exchanges as well as other energy market competence will be moved to the Financial Markets business area. Consequently, the Energy Markets business area will no longer exist as an independent business area.

OM's technology portfolio to be restructured
In addition to the above stated changes, OM will also restructure its technology operations product portfolio, partly through the consolidation of a number of products, including the solutions for Corporate Actions, Front Office and Settlement, and partly through an increased investment in services for existing customers.

OM's operations to be concentrated in fewer offices
OM's operations in Edinburgh are being closed down and parts are being divested as per July 1, 2003. OM's operations in Copenhagen are also being divested. At the same time, OM will focus its North American operations in New York and its German operations in Hamburg.

Changes within the parent company and Stockholmsbörsen
Several changes are being made within the parent company OM AB and Stockholmsbörsen. These changes include work to increase efficiency, adjustment of the group's existing premises and a coordination of common group functions.

Financial effects
These measures aim to secure sound profitability within all business areas from the first quarter, 2004. Altogether the measures are expected to reduce the company's costs by SEK 578 m before tax and will result in lower revenues of SEK 105 m on a yearly basis, calculated according to levels of operations from the second quarter 2003. These cost reduction measures are expected to give full effect from the first quarter, 2004. The earlier cost reduction program from March 2003, which included cost cutting of SEK 60 m, is included in the above.

The total cost of implementing these measures is estimated at SEK 623 m before tax (SEK 544 m after tax) which will be expensed in the second quarter, 2003. These costs consist of write-downs of SEK 234 m and other costs of SEK 389 m. The write-downs include termination of products, office closures and changes in the operations that result in a subsequent change in asset value. The other costs include redundancy costs, unutilized office space and termination of contracts with subcontractors. The total costs are gross and do not include possible net contingent positive effects of planned divestment of operations or tax claims.

It is estimated that implemented measures will lower OM shareholders' equity by SEK 544 m as per the second quarter, 2003. The total negative effect of the measures on cash flow is estimated at SEK 193 m, excluding positive effects from planned divestment of operations and costs for unutilized office space.

Personnel redundancies
Redundancy measures are expected to lead to approximately 240 job losses, of which 220 are from OM's technology operations and of which just over 100 have previously been announced in a press release on March 5, 2003. Approximately 200 of the 240 affected positions are in Sweden. In total, 360 jobs are expected to be eliminated, including positions within divested companies (approximately 70) and consultants (approximately 50)."

On 2 July 2003, OM published the following press release:

"Statement from OM regarding eSpeed lawsuit, 2003-07-02

OM rejects lawsuit from eSpeed

Broker Tec USA, Broker Tec Global, its parent ICAP, Garban, OM Technology, and the parent company OM AB have been sued by eSpeed regarding alleged infringement of U.S. patent 6,560,580 B1. OM has been sued in connection with its delivery of software specially made for BrokerTec, a US electronic fixed income marketplace.

OM rejects the lawsuit, denies any wrongdoing, and will vigorously defend itself against the allegations made in this lawsuit. No OM product infringes eSpeed's patent.

The alleged patent infringement is directed to custom-made functionality that is unique to BrokerTec and that does not exist in any other solution that OM has provided to any other customer. The lawsuit is therefore not applicable to, nor can it affect or harm any other OM customer."

BOARD OF DIRECTORS, MANAGEMENT TEAM AND AUDITORS

In accordance with the Swedish Companies Act and the company's Articles of Association, corporate governance and administration are divided among the shareholders represented at the General Meetings of Shareholders, the Board of Directors and the President. Listed below are the members of the company's Board of Directors and Management team as well as their positions and year of appointment.

Board of Directors

Name	Year of birth	Member of the Board of Directors since	Position in the Board of Directors
Olof Stenhammar	1941	1984	Chairman
Adine Grate Axén	1961	2002	Member
Gunnar Brock	1950	2001	Member
Thomas Franzén	1945	1997	Member
Bengt Halse	1943	2003	Member
Bengt Rydén	1936	1997	Member

The business address of the members of the Board of Directors is OM AB (publ), Norrlandsgatan 31, 105 78 Stockholm.

Olof Stenhammar, Chairman
Born in 1941. Chairman of the Board. Member of the Board since 1984. Dr. Econ. H.C. Chairman of the Board of AB Ratos, AB Basen, Olympialaget Våga Vinna, Åre 2007, Stiftelsen Mentor Sverige and Hela Programmet AB. Board member of Ledstiernan AB, LjungbergGruppen AB, the Swedish Sea Rescue Society and Stockholm School of Economics' Advisory Board. Member of SNS Board of Trustees and the Stockholm Chamber of Commerce.

Adine Grate Axén, Member
Born in 1961. Member of the Board since 2002. Director of Investor AB. Board member of Grand Hôtel Holdings and Hi3G Access AB. Member of the Securities Council and the Industry and Commerce Stock Exchange Committee.

Gunnar Brock, Member
Born in 1950. Member of the Board since 2001. President and CEO of Atlas Copco AB, Board member of Atlas Copco AB and Lego AS. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Thomas Franzén, Member
Born in 1945. Member of the Board since 1997. Ph.D in Economics. Director General of the Swedish National Debt Office. Chairman of the Board of the Swedish National Debt Office.

Bengt Halse, Member
Born in 1943. Member of the Board since 2003. Dr. Eng. H.C. President and CEO of Saab AB (up to and including 14 July 2003). Board member of Chalmers Institute of Technology and Teleca AB. President of AECMA, the European Association of Aerospace Industries. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of War Sciences. Honorary Fellow of the Royal Aeronautical Society in Great Britain.

Bengt Rydén, Member
Born in 1936. Member of the Board since 1997. Ph.D in Economics. Chairman of the Board of the Seventh Swedish National Pension Fund, Hallvarsson & Halvarsson AB and National Swedish Historical Museums. Member of the Board of Stockholmsbörsen AB and the Stockholm Institute for Financial Research Foundation. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and Svenska Revisionsakademien. Member of the Government's Commission on Business Confidence.

The members of the Board of Directors were elected at the Annual General Meeting of Shareholders of OM in 2003 for a term until the close of the next Annual General Meeting of Shareholders.

Per E. Larsson, OM's former CEO, left his position on 30 May 2003. According to his employment contract, Per E. Larsson will receive his salary during the term of notice, which is two years, in addition to benefits with a combined value of SEK 11.2 m. He will continue to be at the disposal of the Board of Directors until 31 March 2004. He will also receive a bonus of SEK 3 m for his contribution to initiating and concluding the HEX transaction, among other things. All of the employee stock options allocated to him can be exercised within three years from his last day of employment. On 31 May 2003, Per E. Larsson held a total of 3,001 shares in OM, 33,400 warrants in OM, 2,000 convertible debentures in OM and 282,000 employee stock options in OM (inclusive holdings of closely related companies and immediate family).

Committees

Two Board committees are directly subordinated to the Board of Directors: the Auditing Committee and the Remuneration Committee. These committees regularly present progress reports to the Board of Directors. Furthermore, OM has a Nominating Committee.

Auditing Committee

The role of the Auditing Committee is to assist the Board of Directors in matters involving external and internal financial control issues. Its tasks consist, *inter alia*, of maintaining continuous contact with both auditors and OM's group controller, drawing up internal audit routines and ensuring that the recommendations, conclusions, observations and proposals of auditors and controllers, made upon completion of the audit process, are adhered to.

Examples of the issues dealt with by the Auditing Committee include the following: management and control issues, accounting for the employee stock option program, valuation principles for certain assets, group security issues, group risk management, organization of the group internal audit, accounting issues, surveillance of independence of auditors, principles regarding financial information, Stockholmsbörsen's operational risks, financing issues and the reporting of ongoing legal disputes.

Members: Thomas Franzén (Chairman, since 2002) and Adine Grate Axén (since 2003).

Remuneration Committee

The role of the Remuneration Committee is to assist the Board of Directors in certain matters involving salaries and remuneration including preparing for Board resolutions on salary and other remuneration for the CEO and those reporting directly to the CEO. In addition, it proposes remuneration for the members of the Board of Directors within those OM companies indicated specifically by the Board of Directors, and also proposes principles for salaries, salary benefits and other remuneration for OM employees.

Examples of the issues dealt with by the Remuneration Committee include the following: remuneration packages for the persons mentioned above, as well as principles for and allocation of employee incentive schemes.

Members: Olof Stenhammar (Chairman, since its inception in 1998), Adine Grate Axén (since 2003) and Bengt Halse (since 2003).

Nominating Committee

The Nominating Committee comprises representatives from OM's major shareholders whose task it is to provide the General Meeting of Shareholders with nominations for members of the Board of Directors and auditors as well as to propose remuneration for these individuals.

Management team

Magnus Böcker

Acting President and Chief Executive Officer (CEO) from 1 June 2003, Executive Vice President and Chief Operating Officer (COO). Born in 1961. Employed since 1986. Chairman of the Board of Directors of Orc Software AB, listed on Stockholmsbörsen.

Pernilla Gladh

Chief of Staff. Born in 1967. Employed since 1999.

Carl-Magnus Hallberg

President of Global Services. Born in 1966. Employed since 2001.

Kerstin Hessius

President of Stockholmsbörsen. Born in 1958. Employed since 2001.

Simon Nathanson

Executive Vice President of Stockholmsbörsen. Born in 1960. Employed since 1987.

Per Nordberg

Chief Financial Officer (CFO). Born in 1956. Employed since 2002.

Anders Reveman
Chief Strategy Officer (CSO). Born in 1944. Employed since 2000.

Klas Ståhl
Acting President OM Technology and President Banks & Brokers. Born in 1953. Employed since 2003.

Bo Svefors
Senior Vice President Marketing & Communications. Born in 1951. Employed since 2003.

Roland Tibell
President of Financial Markets and President of OM Inc., Deputy COO. Born in 1957. Employed since 1992.

Remuneration

The salaries and remuneration paid by OM to the members of the Board of Directors and the CEO of OM for the financial year 2002 totaled SEK 9,645,000 (including pension contributions). The salaries and remuneration paid by OM to members of subsidiary Boards of Directors for the financial year 2002 totaled SEK 1,314,000. The salaries and remuneration paid by OM to the members of the Management team[1] (excluding the CEO) for the financial year 2002 totaled SEK 15,095,000 (including pension contributions). For further information, please see Note 6 in Notes to the Financial Statements in "Appendix A – Financial Information – OM".

OM's Acting President and CEO, Magnus Böcker, under his employment agreement, receives a fixed yearly salary of SEK 3.6 m. In addition, a variable salary of a maximum of SEK 3.6 m may be paid annually. Annual pension provisions are made in the amount of SEK 828,000. Benefits provided include sick pay insurance, health care insurance and domestic help. Furthermore, OM pays interest on a bank loan on behalf of Magnus Böcker which corresponds to SEK 3,502 a month. The employment agreement may be terminated with 18 months' notice by OM and six months' notice by Magnus Böcker.

Holdings of the Board of Directors and the Management team

The following information on shareholdings and holdings of warrants, convertible debentures and employee stock options are inclusive of holdings of closely related companies and immediate family. The information is presented as of 31 May 2003.

Name	Number of shares in OM	Number of warrants* in OM	Number of convertible debentures* in OM	Number of employee stock options* in OM
Olof Stenhammar, including companies	3 417 590	-	-	-
Adine Grate Axén	-	-	-	-
Gunnar Brock	2 000	-	-	-
Thomas Franzén	-	-	-	-
Bengt Halse**	-	-	-	-
Bengt Rydén	7 921	20 000	2 000	-
Magnus Böcker	94 726	33 400	2 000	226 000
Pernilla Gladh	-	-	-	7 500
Carl-Magnus Hallberg	-	-	-	9 000
Kerstin Hessius	-	-	-	50 000
Simon Nathanson	200	10 000	-	28 500
Per Nordberg	-	-	-	10 000
Anders Reveman	1 000	-	-	50 000
Klas Ståhl	-	-	-	-
Bo Svefors	-	-	-	-
Roland Tibell	880	-	2 000	42 000

* Convertible debentures, warrants and employee stock options all entitle holders to one share each.
** Bengt Halse has acquired 5,000 shares in OM on 11 June 2003.

[1] During 2002, the Management team comprised Per E. Larsson (CEO), Magnus Böcker, Kerstin Hessius, Per Nordberg and Anders Reveman.

As of 31 May 2003, the members of OM's Board of Directors and the Acting CEO own a total of 3,522,237 of OM's shares and votes, corresponding to approximately 4.2 percent of OM's shares and the votes attached to the shares. The members of the Management team (excluding the Acting CEO) of OM own a total of 2,080 of OM's shares and votes, corresponding to less than 0.1 percent of OM's shares and votes attached to the shares.

As of 31 May 2003, members of OM's Board of Directors and the Acting CEO hold a total of 53,400 warrants and 4,000 convertible debentures entitling their holders to 57,400 new shares in OM and 226,000 employee stock options entitling their holders to 226,000 existing shares in OM. These holdings correspond to approximately 0.3 percent of OM's shares and the votes attached to the shares, if fully exercised or converted. Members of the Management team, excluding the Acting CEO, hold a total of 10,000 warrants and 2,000 convertible debentures entitling their holders to 12,000 new shares in OM, and 197,000 employee stock options entitling their holders to 197,000 existing shares in OM. These holdings correspond to approximately 0.2 percent of OM's shares and the votes attached to the shares, if fully exercised. For further information, please see sections "OM – Shares, share capital and shareholder structure – Incentive schemes" and "Appendix A – Financial Information – OM".

Auditors

Pursuant to OM's Articles of Association, OM shall have one or two auditors together with no more than an equal number of alternate auditors, to be elected at the Annual General Meeting of Shareholders.

OM's auditors are Björn Fernström (born in 1950, Ernst & Young AB) and Peter Clemedtson (born in 1956, PricewaterhouseCoopers AB), since 1985 and 2003, respectively. Deputy auditors are Per Hedström (born in 1964, Ernst & Young AB) and Bo Hjalmarsson (born in 1960, PricewaterhouseCoopers AB). The auditors, the deputy auditors and the auditing firms hold no shares, or instruments entitling the holder to subscribe for shares in OM.

The addresses of the auditors are the following: Ernst & Young AB, Jakobsbergsgatan 24, S-103 99 Stockholm, Sweden and PricewaterhouseCoopers AB, Torsgatan 21, S-113 91 Stockholm, Sweden.

Related party transactions

Except as stated below, neither OM nor any of its subsidiaries has, as of the date of this Prospectus, granted any loans or given any guarantees or sureties for the benefit of any of the members of the Board of Directors, the Management team or auditors of OM. In year 1989, OM granted a loan to Simon Nathanson in the amount of SEK 193,600. The loan shall be repaid no later than upon termination of his employment.

Except as stated below, none of the members of the Board of Directors, the Management team of OM or its auditors have, since 2000 until the date of this Prospectus, either directly or indirectly, through closely held companies or immediate family, engaged in any business transaction with OM other than on arm's length basis. Under a license agreement entered into in 1985, a company in close proximity to Olof Stenhammar is entitled to one percent of OM's income after financial items plus a fixed amount, which in 2002 was SEK 680,947, and which is adjusted annually pursuant to the consumer price index. The license agreement expires in 2005, after which it is cancelable. Furthermore, Bengt Rydén and OM entered into a part-time consultancy agreement on 1 January 2003, pursuant to which Bengt Rydén shall assist OM's President and CEO as senior advisor. The term of the agreement is two years but the agreement can be terminated with six months' notice. For further information, please see section "Appendix A – Financial information – OM – Notes to the Financial Statements Note 6".

CERTAIN CORPORATE INFORMATION

Company name

The name of the company is OM Aktiebolag. The company is a public company (publ).

Registered office

The registered office of the company shall be situated in Stockholm.

Objects

According to Article 3 of the company's Articles of Association, the object of the company's operations shall be, directly or through wholly or partly owned companies, to develop and provide IT-based systems and services, primarily for the financial, energy, and commodities markets, to own or operate exchanges, marketplaces, clearing organizations, central securities depositories, securities institutions, and fund companies, and to conduct operations compatible therewith, and also to own and manage real estate and personal property.

Share capital

The company's share capital shall amount to not less than one hundred and sixty-eight million kronor (SEK 168,000,000) and not more than six hundred and seventy-two million kronor (SEK 672,000,000). At the date of this Prospectus, the share capital of OM amounts to SEK 168,082,236 divided into 84,041,118 shares.

Nominal value

Each share shall have a nominal value of two (2) kronor.

Board of Directors

The company's Board of Directors shall consist of not less than five and not more than nine members, plus not more than an equal number of alternate members. The members and alternate members shall be elected at the Annual General Meeting of Shareholders for a term until the close of the next Annual General Meeting of Shareholders.

Financial year

The company's financial year shall be the calendar year.

Connection to VPC

The company is connected to VPC AB, the Swedish Central Securities Depository.

Other information

OM is a Swedish limited liability company governed by the Swedish Companies Act (aktiebolagslagen (1975:1385)). The company's corporate registration number is 556243-8001. The company was registered with the Swedish Patent and Registration Office on 30 July 1984 and has conducted operations since. The company's shares were registered in the Swedish book-entry system (VPC AB) on 3 June 1985. The Articles of Association currently in effect were adopted at the Annual General Meeting of Shareholders on 20 March 2002. Payments of dividends are managed by VPC AB.

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Shares and share capital

Pursuant to OM's Articles of Association, the share capital shall amount to not less than SEK 168,000,000 and not more than SEK 672,000,000. The issued share capital may be increased or decreased within these limits without amending the Articles of Association. Each share has a nominal value of SEK two (2) and entitles its holder to one vote at the General Meeting of Shareholders. All shares carry equal rights to participation in OM's assets and earnings and there are no restrictions in the Articles of Association as regards the free transferability of the shares. As of the date of this Prospectus, the company's issued and fully paid share capital amounts to SEK 168,082,236 divided into 84,041,118 shares. Neither the company nor any of its subsidiaries own any OM shares.

Incentive schemes

In 1998, OM issued convertible debentures and warrants to its employees. The issues were made on market terms whereby the employees paid a premium for the warrants. The table below shows key data for the convertible debentures and the warrants issued.

Convertible debentures issued to employees	23 December 1998
Original nominal amount, SEK	76 531 350
Outstanding liability as at 31 December 2002	54 804 400
Nominal interest rate, % (12-month Stibor, 0.5%)	3.66
Conversion rate, SEK	161
Number of shares on full conversion of outstanding liability	340 400
Dilution upon full conversion	0.4%
Conversion with effect from	30 April 1999
Maturity date	31 May 2004

Warrants issued to employees	23 December 1998
Subscription price, SEK	161
Number of shares upon full subscription	600 000
Dilution upon full subscription	0.7%
Subscribed as at 31 December 2002	162 700
Premium, SEK	15.30
New subscription of shares with effect from	30 April 1999
Maturity date	31 May 2004

Remuneration program

OM's remuneration program, "Achievers in motion", was first introduced in 2000. The remuneration program comprises a number of components, the largest of which is fixed salary. In addition, there is a discretionary bonus to reward individual performance and a long-term incentive scheme, which has comprised a global employee stock option program during the past three years.

Employee stock option program

Employee stock options are an established concept subject to specific limitations. To be allocated options, an employee must remain in service for a specific period of time. Options are non-transferable and must be exercised within a certain limited period if employment is terminated. Employee turnover means that the number of granted options will be greater than the number of anticipated exercised options. OM estimates that at 15 percent employee turnover, a maximum of 70 percent of options granted will be exercised over the seven-year lifetime of the option program. Restrictions to ownership and usage rights mean that options are not considered to be financial instruments but are treated as employment income. As such the company becomes liable to pay social welfare contributions on this amount.

OM launched its first employee stock option program in 2000 and two additional programs followed in 2001 and 2002. Options are granted to employees at no additional cost and the holder is entitled to purchase shares in OM AB at a fixed price (see table). One option corresponds to one share. The options are successively granted to the holder over a three-year period – one third per year. Each option has a seven-year lifetime. In total, OM's three options programs (2000, 2001 and 2002) correspond to 3,233,000 shares. At the year-end 2002 there were in total approximately 2,600,000 options outstanding.

OM'S EMPLOYEE STOCK OPTION PROGRAM

	7 June 2002	15 June 2001	28 June 2000
Strike price, SEK	71	175	400
Theoretical value per option, SEK[1)]	15	38	90
Number of allocated options	733 000	1 100 000	1 400 000
Outstanding options, 31 December 2002	714 000	926 000	1 003 000
Of which fully vested 31 December 2002	0	405 000	669 000
Of which fully vested 31 December 2001	-	0	334 000
Redemption of shares with effect from	2 July 2003	15 June 2002	25 May 2001
Anticipated number of exercised options[2)]	500 000	800 000	1 000 000
Expiration date	2 July 2009	15 June 2008	28 June 2007

1) The theoretical value of granted options is fixed through an established option valuation model (Black-Scholes) at the time they are granted. This valuation takes into account the fact that the options are subject to restrictions (not for resale, non-transferable).
2) The anticipated number of exercised options is based only on the number of options that will be fully granted after the vesting period, assuming an employee turnover of 15 percent. No consideration has been given to the OM share price or the probability of exercise.

Valuation and costs related to employee stock option program
The International Accounting Standards Board (IASB) has proposed that in the future options granted shall be treated as an expense in the income statement. Two of the issues outstanding are the valuation of these expenses and their distribution over time. Options granted in 2002 have been valued by an external party at SEK 15 per option, which means that the value of the options program at grant date amounts to SEK 11 m, or 1.5 percent of the total payroll expense.

Hedging the employee stock option program
To ensure delivery of shares when options from the programs are exercised, OM entered into a swap transaction with a third party for the delivery of OM shares. This swap transaction covers a total of 1,400,000 shares and is expected to cover all options exercised under all three outstanding option programs (2000, 2001 and 2002), including the liquidity effect of any social welfare contributions that may arise. These expenses, as well as the interest expenses incurred through the transaction, are expensed continuously by OM and during 2002 this figure totaled SEK 24 m (SEK 17 m). The swap transaction, which in accordance with accounting principles can be described as a stock repurchase, means that OM has hedged against the risk of an increase in the OM share price, but not a decrease. The fall in OM's share price from SEK 371 in the summer of 2000 to SEK 41.60 on 31 December 2002, has resulted in a reduction in shareholders' equity of SEK 461 m. During 2002 OM changed counterparty in its swap transaction, which led to the realization of part of this price decrease. The share price decrease was previously secured through a deposit which means that this redistribution has increased financial net debt by SEK 439 m.

Dilution
Since the options carry the right to acquire existing shares, the program does not have a dilution effect for OM's shareholders. If on the other hand an option program were to require a new issue of shares, the (theoretical) dilution for 2002's option program (corresponding to 733,000 shares) would be less than 1 percent.

Accounting principles
The price decrease that has impacted the hedge of the options program has affected shareholders' equity as recommended by the Swedish Financial Accounting Standards Council (SFASC) according to rules governing stock repurchases. From a different perspective this equity reduction can be seen as a personnel expense having arisen from the employee stock option program. Within international accounting groups, valuation and reporting of employee stock option programs is the subject of much discussion today. In light of the uncertainty surrounding these issues, and while awaiting recommendations from the IASB, OM is applying accounting principles in line with the recommendations of the SFASC Emerging Issues Task Force (December 2002). See note 6 to the financial statements in "Appendix A – Financial information – OM".

Amendments in the share capital

Due to the conversion of convertible debentures described above, the share capital of the company has increased during the years 2000, 2001 and 2002 by SEK 264,900, SEK 3,000 and SEK 2,000 respectively, which corresponds to an increase of the number of shares by 132,450, 1,500 and 1,000 for the respective years. Due to the exercise of warrants described above, the share capital of the company increased during 2000 and 2001 by SEK 317,400 and SEK 8,000 respectively, which corresponds to an increase in the number of shares of 158,700 and 4,000 for the respective years. Apart from what is stated above, neither the share capital nor the number of shares has been changed during the past three financial years.

As of 10 June 2003, convertible debentures corresponding to 340,400 OM shares and warrants corresponding to 437,300 OM shares, if fully converted or exercised, are outstanding, with expiration on 31 May 2004. Thus, fully converted and fully exercised, the convertible debentures and the warrants may result in an increase in the share capital of SEK 1,555,400 to SEK 169,637,636, and an increase in outstanding shares of 777,700 shares to 84,818,818 shares, equivalent to a dilution of approximately one (1) percent.

At an Extraordinary General Meeting of the Shareholders of OM, intended to be held on 18 August 2003, the Board of Directors of OM will propose that the Extraordinary General Meeting of Shareholders authorize the Board of Directors to decide on the issuance of a maximum of 31,785,027 OM shares as consideration in the Offer (leading to an increase in the share capital of a maximum of SEK 63,570,054 from SEK 168,082,236 to SEK 231,652,290)[1]. See "The Offer – Other matters relating to the Offer – Corporate decisions – OM".

The Board of Directors of OM will also propose that the Extraordinary General Meeting of Shareholders resolve on the issuance of a debenture with a maximum of 1,150,000 detachable OM warrants to be offered to key employees of OM HEX. Please see sections "The Offer – Other matters relating to the Offer – Corporate decisions – OM" and "OM HEX – Shares, share capital and shareholder structure – Shares and share capital".

1 This includes also OM shares issued as consideration for any HEX shares issued as a result of exercise of HEX warrants and is based on the assumption that no exercise of OM warrants or conversion of OM convertible debentures takes place.

Board authorizations

The Board of Directors of OM has no current authorization to issue new shares or other instruments that may result in an increase of the share capital, nor has it any current authorization to purchase or dispose of OM's own shares.

Shareholders

The table below shows the principal owners of OM as per 31 May 2003.

Principal owners, 31 May 2003	**Share capital**	**Number of shares**	**Number of votes, %**
Investor AB	28 701 014	14 350 507	17.1
The Swedish state	15 986 932	7 993 466	9.5
AMF Pension	12 680 000	6 340 000	7.5
Robur Fonder	8 285 386	4 142 693	4.9
Alecta	7 519 288	3 759 644	4.5
FöreningsSparbanken	7 447 442	3 723 721	4.4
Didner & Gerge aktiefond	7 001 200	3 500 600	4.2
Olof Stenhammar and companies	6 835 180	3 417 590	4.1
Nordea	6 139 242	3 069 621	3.7
Svenska Handelsbanken	5 679 540	2 839 770	3.4
Marathon Asset management	4 300 268	2 150 134	2.6
Fidelity Funds*	3 378 600	1 689 300	2.0
SEB Funds	2 596 000	1 298 000	1.5
Other foreign owners	12 118 080	6 059 040	7.2
Other Swedish owners	39 414 064	19 707 032	23.4
Total number of shares	**168 082 236**	**84 041 118**	**100.0**

Source: SIS Ägarservice.

* According to a notification received by OM on 20 June 2003 from Fidelity Investments, the ownership of Fidelity Funds has increased on 19 June 2003 to 4,557,680 shares in OM, representing approximately 5.4 percent of OM's shares and votes.

As of 31 May 2003, there were 18,115 shareholders in OM. The table below shows the distribution of shareholdings per the said date.

Number of shares	**Number of shareholders**	**Percentage of shareholders**	**Number of shares**	**Percentage of share capital and votes**
1–1 000	15 824	87.4	4 376 231	5.2
1 001–10 000	2 026	11.2	5 682 272	6.8
10 001–100 000	198	1.1	5 422 266	6.5
100 001–1 000 000	53	0.3	16 477 409	19.6
1 000 001–	14	0.1	52 082 940	62.0
Total	**18 115**	**100.0**	**84 041 118**	**100.0**

Source: VPC.

Listing

OM shares are traded on the A-list of Stockholmsbörsen. OM has been listed on Stockholmsbörsen since 1987. The table below shows price related data for the years 1998–2002.

Price-related data	**2002 EUR**	**2002 SEK**	**2001 SEK**	**2000 SEK**	**1999 SEK**	**1998 SEK**
Share price at 31 Dec	4.5	41.6	138	233	185	102
Highest share price during period	16.5	152	280	519	195	203
Lowest share price during period	2.6	24	65	173	83	95
Median share price during period	4.5	41.6	138	232	183	102
Market value of shareholders' equity as of 31 Dec, m	380	3 496	11 598	19 580	15 493	8 542
Share price/Shareholders' equity per share	1.8	1.8	5.1	6.7	5.6	3.1
Direct yield, %	2.4	2.4	0.7	2.6	2.7	4.4
Price/earnings multiple at 31 Dec	-	-	-	27	27	35
Average number of OM shares traded per day, 000s	204	204	166	182	154	139
Average value of OM shares traded per day, m	15.5	15.5	24.4	67.6	17.1	18.5

OM share price development in 2002 and 2003

The OM share's price performance was very weak during 2002. During the same period that the OMX index fell 42 percent, the OM share fell by 70 percent. The year's high in 2002 was on 3 January when the OM share closed at SEK 148.5, equivalent to a market capitalization of approximately SEK 12 billion. The year's low was on 8 October when the OM share closed at SEK 24. At year-end 2002, the OM share closed at SEK 41.6, equivalent to a market capitalization of approximately SEK 3.5 billion. On 30 May 2003, the OM share closed at SEK 51.5. The average total annual return (price change and reinvested dividend) for the OM share during 1993 – 2002 is 19 percent. The corresponding increase in Stockholmsbörsen's OMX index was 16 percent during the same period.

OM share turnover

During 2002, total turnover in OM shares increased by 24 percent, from 41 m to 51 m OM shares, including transactions post-reported. On average 203,795 shares per day were traded, an increase of 23 percent year-on-year. Turnover was highest in October when a total of 7.6 m shares were traded.

OM share price volatility

Volatility is a measure of risk that demonstrates the extent of share price fluctuations over a certain period. Volatility is expressed as a percentage and measured using the standard deviation of changes in a share price. The 250-days' volatility of the OM share as at 31 May 2003 was 76 percent; corresponding figures as at year-end 2002 and year-end 2001 were 71 percent and 64 percent, respectively.

The beta coefficient is another measure of risk that demonstrates a share's sensitivity to market fluctuations compared with the stock market as a whole during a particular period. A beta value greater than 1 means that the share is more sensitive than the market average. A value of less than 1 means that the share is less sensitive than the market as a whole. Stockholmsbörsen's calculation for the beta coefficient of the OM share over a rolling 60-month period ending 31 May 2003 is 1.90, measured against the OMX index.

Shareholders' agreements

To the knowledge of the Board of Directors of OM, there are no agreements between major shareholders relating to the ownership of shares and exercise of voting rights in the company. Nor has the company, with the exception of the license agreement with a company in close proximity to Olof Stenhammar (please see section "OM – Board of Directors, Executive Management and Auditors – Related party transactions") entered into any agreements with any of its shareholders, other than in the ordinary course of business and on market terms.

Ownership control

An acquisition of shares in OM may be restricted due to the nature of the operations conducted by OM's subsidiaries, i.e. securities exchange-, clearing- and securities operations. An acquisition of shares representing ten percent or more of the share capital or votes, or which otherwise enables a significant influence, in OM (a "**Qualified Holding**") requires the authorization of the SFSA. The same applies if a shareholder increases its Qualified Holding to 20, 33 or 50 percent or more of the share capital or votes in the company, or if OM becomes a subsidiary of the acquirer. Authorizations for acquisitions mentioned above shall be granted where it can be assumed that the acquirer will not act against the sound development of the business operations and the acquirer otherwise is suitable to exercise a significant influence over the management of OM. Authorization may not be granted where the acquirer has, to a material degree, breached its obligations in its business operations or in other financial matters, or is otherwise guilty of a serious crime. An owner with a Qualified Holding who intends to sell such a holding or a portion thereof whereby the holding falls below any of the thresholds mentioned above, must notify the SFSA of this intention. Furthermore, the SFSA may under certain specific circumstances, among other things, order an owner of a Qualified Holding to sell such a portion of the shares that the holding thereafter no longer constitutes a Qualified Holding.

SHAREHOLDERS' RIGHTS

Set forth below is a summary of certain shareholders' rights pursuant to OM's Articles of Association and Swedish law in effect on the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to OM's Articles of Association and applicable Swedish laws. With reference to OM HEX shares to be registered in the Finnish book-entry system, see "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

General Meetings of Shareholders

OM is required to hold its Annual General Meeting of Shareholders in Stockholm before the end of June each year. Notice of this Meeting must be given no earlier than six weeks before and no later than four weeks before the Meeting.

Under Swedish law, Extraordinary General Meetings of Shareholders are held when the Board of Directors considers such a meeting appropriate or when either the auditor(s) or shareholders representing at least one-tenth of all issued shares demand in writing that such a Meeting be convened for a specified purpose. OM must give notice of an Extraordinary General Meeting of Shareholders within two weeks of its receipt of a request for the Meeting. This notice must be given no earlier than six weeks before and no later than two weeks before the Meeting, unless a resolution amending the Articles of Association is proposed, in which case notice of the Meeting must be given no earlier than six weeks before the meeting and no later than four weeks before the Meeting.

OM's Articles of Association provide that notice of a General Meeting of Shareholders must be given through public announcement in the Swedish Official Gazette *(Post- och Inrikes Tidningar)* as well as in the daily newspapers *Dagens Nyheter* or *Svenska Dagbladet* or another daily national newspaper. Under the Swedish Companies Act (*aktiebolagslagen* (*1975:1385*)), OM must, in certain cases, mail notice of a General Meeting of Shareholders to all shareholders for whom OM has addresses.

Under Swedish law, there are no quorum requirements to hold a General Meeting of Shareholders.

As a general rule, resolutions are passed by a majority of the votes cast, except in certain circumstances, when, among other things, the number of shares represented at the Meeting and voting for or against the resolution will also be taken into account.

Voting rights

OM shares confer one vote per share. A shareholder may exercise its rights at a General Meeting of Shareholders personally or by a representative in possession of a written and dated proxy. A proxy is not valid for more than one year from the date of issue. There are no restrictions in OM's Articles of Association regarding the number of votes that a shareholder may cast and, therefore, each shareholder may vote using all of the shares owned or otherwise represented by that shareholder at a General Meeting of Shareholders. However, under certain specific circumstances, the SFSA may decide that a person possessing a Qualified Holding (as defined above in "OM – Shares, share capital and shareholder structure – Ownership control") may only represent less than ten percent of the share capital or voting rights in OM.

To attend and vote at a General Meeting of Shareholders, a shareholder must be registered in its own name ten days before the General Meeting of Shareholders (the record day) in the register of shareholders, which is kept by VPC AB ("**VPC**"), and give OM notice of its intention to attend the Meeting no later than 4:00 p.m. on the date set out in the notice of the Meeting. Shareholders that have their shares registered in the name of a nominee must register the shares in their own name by the record day in order to be able to attend the General Meeting of Shareholders. The notice of the Meeting will also specify the record day.

For certain considerations regarding voting restrictions pursuant to Finnish law relevant to OM HEX, see "OM HEX – Regulatory Matters".

Transfer of shares

As a general rule under Swedish company law, shares are freely transferable and, with respect to OM's Articles of Association, there are no restrictions on the transferability of OM shares. For certain provisions regulating ownership of a Qualified Holding in OM, please see section "OM – Shares, share capital and shareholder structure – Ownership control".

Changes in the share capital

Changes to OM's share capital require, as a general rule, a resolution passed at a General Meeting of Shareholders. The Board of Directors of OM may, within certain limits, be granted authority (limited in time until the next Annual General

Meeting of Shareholders) to resolve upon an issuance of new shares. The Board of Directors may also take such a resolution subject to subsequent approval by the shareholders. A resolution to deviate from pre-emptive shareholder rights in connection with a new issue of shares, to change the share capital in such a way as requires an amendment to the Articles of Association or to reduce share capital is valid only if shareholders representing two-thirds of the votes cast and the shares represented at the General Meeting of Shareholders vote in favor of the resolution.

Amendments to the Articles of Association

Amendments to the Articles of Association must be made through resolutions passed at a General Meeting of Shareholders. Most such resolutions can be passed by an affirmative vote of two-thirds of the votes cast and the shares represented at the General Meeting of Shareholders.

A resolution to amend the Articles of Association that, in relation to the issued share capital, reduces the shareholders' rights to OM's profits or other assets or restricts the transferability of OM shares or alters the legal relationship between shares, normally requires the unanimous consent of all shareholders present at the General Meeting of Shareholders and representing at least nine-tenths of all issued shares.

A resolution to amend OM's Articles of Association in any of the following ways is normally valid only if shareholders representing two-thirds of the votes cast and nine-tenths of the OM shares represented at OM's General Meeting of Shareholders are in favor:

- a resolution limiting the number of shares in relation to which one shareholder can vote;
- a resolution requiring a larger amount of the profit for the financial year, than is otherwise required, to be allocated to the statutory reserve or otherwise retained in OM; or
- a resolution providing for the distribution of profits or remaining assets in connection with the winding up of OM that departs from that prescribed by the Swedish Companies Act.

Amendments to OM's Articles of Association regarding the matters described above are nevertheless valid if passed by a two-thirds majority of the votes cast and two-thirds of the shares represented at the General Meeting of Shareholders, if (i) the amendments are to the detriment of only some shareholders and all of these shareholders represented at the General Meeting of Shareholders so consent (provided they represent at least nine-tenths of all such shares so affected) or (ii) the amendments are to the detriment of all shares of one class and owners of at least 50 percent of all such shares, as well as at least nine-tenths of such shares that are represented at the General Meeting of Shareholders, so consent (although OM currently has only one class of shares outstanding).

Minority rights, including mandatory offers

Under the Swedish Companies Act, minority shareholders have certain rights to protect them from detrimental actions by the majority shareholders. The exercise of most rights presupposes the control or collaboration of shareholders representing at least ten percent of the shares. An auditor may be appointed by the County Administrative Board (*länsstyrelsen*) upon request by the owners of one-tenth of all shares, or one-third of the shares represented at the relevant General Meeting of Shareholders. Where a parent company individually or together with one or more subsidiaries owns more than 90 percent of the shares of a company representing more than 90 percent of the votes of that company, the owners of the remaining shares have a right to have their shares acquired by the parent company. Shareholders holding at least ten percent of the shares of OM have the right to request that an Extraordinary General Meeting of Shareholders be convened for a specified purpose. In addition, each shareholder may request an item to be placed on the agenda for a General Meeting of Shareholders, provided that the request is made in time for it to be included in the notice of the Meeting.

In addition, pursuant to a recommendation by the Swedish Industry and Commerce Stock Exchange Committee (the "**NBK**"), any acquirer who either alone or together with a concerted party acquires 40 percent or more of the total number of votes in a Swedish company (the target company), which is listed on a securities exchange or authorized marketplace in Sweden, must make a public offer for the acquisition of all the remaining shares issued by the target company (a mandatory offer). This offer must also be addressed to holders of securities other than shares issued by the target company, if the price of those securities could be substantially affected as a result of the cessation of quotation of the target company's shares.

As a general rule, neither the OM Board of Directors or other representatives of OM nor a voting majority at a General Meeting of OM's shareholders may enter into transactions or undertake other measures that are likely to give an undue advantage to a shareholder or a third-party to the detriment of OM or any other shareholder.

Dividends

All of OM's shares carry equal dividend rights. Under the Swedish Companies Act, only an Annual General Meeting of Shareholders may authorize the payment of dividends, which may not exceed the amount recommended by the Board of Directors (except to a limited extent in the event of a demand by holders of at least ten percent of the total number of issued shares) and which may be paid only from funds available for dividends. Dividends to the OM shareholders may not exceed net income for the most recent fiscal year, retained profits and non-restricted reserves less the sum of:

- the amount of reported losses;
- the amount that OM is required to allocate to restricted equity or the amount which, according to the annual reports submitted by group entities, will be transferred from group non-restricted equity to restricted equity; and
- the amount, if any, which, according to OM's Articles of Association, must be used for a purpose other than for dividends to the shareholders. OM's Articles of Association currently contain no such provisions.

Under the Swedish Companies Act, OM cannot pay dividends in respect of a financial period for which audited financial statements have not been adopted by the OM shareholders at an Annual General Meeting of Shareholders. The normal practice in Sweden is for dividends to be paid only annually.

In addition, OM may not declare a dividend in an amount that would be contrary to generally accepted business practices in light of OM's or the OM group's financial needs, liquidity or financial position in other respects.

VPC handles all payments of dividends to OM shareholders on OM's behalf. The shareholders' right to dividend is limited in time to ten years after the record date of the dividend, whereafter VPC transfers the dividend to the company. For further information, please see section "Securities markets – Swedish securities market – Registration process".

Dividends paid by OM may be subject to Swedish or other taxation. For a further discussion of the possible tax consequences, please see section "Taxation".

Rights of redemption and repurchase of shares

Under Swedish law, OM may not subscribe for its own shares, or receive its own shares as security. OM may, however, redeem its own shares through a statutory redemption procedure pursuant to the Swedish Companies Act after a resolution by the shareholders normally requiring a two-thirds majority of the votes cast and the shares represented at the Shareholders' Meeting. Redemption of shares for the purpose of repayment of paid-up capital to shareholders requires a proposal from or approval by the Board of Directors and may only take place to the extent that the restricted equity of OM or the OM group is not impaired. In addition, the redemption procedure normally requires (among other things) court approval when such a redemption would result in the repayment of paid-up capital to shareholders.

Swedish listed companies may buy and sell their own shares. A resolution authorizing a company to repurchase its own shares must be passed by the General Meeting of Shareholders of the company, or, following authorization by the General Meeting of Shareholders, by the Board of Directors. The resolution by the shareholders must be passed by a two-thirds majority of the votes cast and the shares represented at the General Meeting of Shareholders.

Share repurchases by a Swedish listed company may only take place on the securities market or pursuant to an offer to all shareholders (or all shareholders of a specified class of shares). OM may not repurchase its own shares by way of direct negotiations with any of its shareholders. In the event that OM wishes to buy its own shares on a securities exchange or other regulated marketplace outside of the European Economic Area, it must be granted permission by the SFSA.

Share buy-backs may only take place to the extent they do not impair the restricted equity of OM or the OM group after the buy-back. OM may not record its own shares as assets on the balance sheet. Furthermore, the proportions of a share buy-back may not be so great as to violate sound business practices taking into account OM's or the OM group's financial needs, liquidity or financial position in other respects. OM may not hold more than one-tenth of all of its issued shares. In this context, shares held by any of OM's subsidiaries are deemed to be held by OM.

OM may hold repurchased shares for an unlimited period of time. OM may not vote using the shares, and the shares do not carry the right to dividends or preferential rights to new shares in connection with an issue of new shares. However, if OM holds its own shares, OM may receive new shares by way of a bonus issue.

As a public company, if OM holds its own shares, OM may either reduce the share capital and cancel the shares or sell the shares on the terms adopted by the General Meeting of Shareholders. If OM decides to buy or sell its own shares, OM must make public such a decision and notify Stockholmsbörsen.

Pre-emptive rights

Under the Swedish Companies Act, existing shareholders have pre-emptive rights to subscribe, on a pro rata basis, for new shares, convertible debt instruments or similar instruments issued for cash unless the company's Articles of Association provide otherwise or the General Meeting of Shareholders resolves that the shareholders shall not have such preferential rights. Such resolution requires the approval of shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting. Because OM is a listed company, a decision to issue securities to directors and employees (or certain related parties to such persons) of OM or other companies within the same group requires the approval of shareholders representing at least nine-tenths of the votes cast and the shares represented at the General Meeting of Shareholders. OM's Articles of Association do not limit shareholders' pre-emptive rights.

Shareholders' votes on certain reorganizations

Under the Swedish Companies Act, when a Swedish parent company, alone or together with one or more subsidiaries, owns more than 90 percent of the shares in a subsidiary and these shares represent more than 90 percent of the votes in the subsidiary, that parent company is entitled to purchase the remaining outstanding shares from the other shareholders of the subsidiary (through a compulsory, or minority, "squeeze-out" proceeding), and those shareholders may require the parent company to purchase their shares. In the absence of an agreement regarding the price for these shares, an arbitration tribunal will determine a fair price. In the case of a compulsory acquisition initiated promptly or within a reasonable period of time following a public offer to a substantial number of shareholders pursuant to which the offeror (or its affiliates) acquired a majority of the shares held by the offeror, the price will normally be the same as the price paid in such offer.

A legal merger of a Swedish (merging) company with another Swedish (acquiring) company pursuant to Chapter 14 of the Swedish Companies Act requires the approval of the merging company's shareholders by a majority of at least two-thirds of the votes cast and the shares represented at a General Meeting of Shareholders. A legal merger where a Swedish public company, such as OM, is merged into a Swedish private company must be approved by all of the public company's shareholders present at the Meeting and these shareholders must represent at least 90 percent of all issued shares in the public company. Certain majority requirements also apply where the merger adversely affects certain shares or classes of shares.

In the case of companies listed on Stockholmsbörsen, shareholder approval is required for transactions such as a disposal of shares in a subsidiary of the listed company, if such shares are acquired by directors or employees (or certain related parties to such persons) of the listed company or companies within the same group. This type of disposal requires the approval of the shareholders through a majority of at least nine-tenths of the votes cast and the shares represented at a General Meeting of Shareholders of the listed company. In addition, companies listed on Stockholmsbörsen must refer material transactions, such as a disposal of a business, to a General Meeting of Shareholders if the business is acquired by (*inter alia*) the persons referred to above. This type of disposal requires the approval of the shareholders through a majority of more than 50 percent of the votes cast.

Distribution of assets on liquidation

On the winding-up of a Swedish company, the liquidator must distribute the net assets equally among the shareholders in proportion to their respective holdings, unless the Articles of Association provide for another distribution among the shareholders. OM's Articles of Association do not contain any such provision.

OTHER INFORMATION

Significant agreements

As a part of its technology operations, OM has entered into agreements with a large number of customers around the world. These agreements normally relate to the delivery of systems solutions as well as support or operational services. The ten largest customers represent approximately 33 percent of the turnover of the group (including sales from OM's technology operations to Stockholmsbörsen). The agreements entered into with such customers normally have a term of at least five years. Of the ten largest customers, one accounts for approximately 8.0 percent and Stockholmsbörsen accounts for approximately 6.2 percent of the turnover of the group (including sales from OM's technology operations to Stockholmsbörsen). Apart from the agreements with these two largest customers, no single agreement is of significant importance for OM's commercial operations, financial position or net income. However, OM considers the agreement with LSE regarding the formation of EDX London to be of material strategic importance. For further information, please see section "OM – Stockholmsbörsen – Operations – OM London Exchange and the formation of EDX London".

Real property and principal places of operations

OM does not own any real property, but leases its offices. OM's places of operations are located in Stockholm, Halden, New York, London and Sydney. OM operates securities exchanges and conducts clearing operations in Stockholm, London and Calgary. Stockholm is the principal place of OM's operations.

Significant shareholdings and investments

OM has (excluding dormant companies), directly or indirectly, 27 wholly-owned subsidiaries and three partly owned subsidiaries. In addition, OM holds (excluding dormant companies) interests in five associated companies or joint ventures. The most important subsidiaries, associated companies and joint ventures are listed in notes 10 and 14 to the financial statements. Please see section "Appendix A – Financial information – OM". In addition, an organization chart of the OM group is presented in Appendix A. Moreover, in December 2002, OM together with LSE announced plans to form EDX London, a new international market place for trading and clearing equity derivatives, in which OM holds a 24 percent interest. The transaction was completed on 27 June 2003 (please see "OM – Stockholmsbörsen – Operations – OM London Exchange and the formation of EDX London"). OM is also the largest owner of HEX with a 15.6 percent ownership interest. The subsidiaries, associated companies and joint ventures listed in the table below could have a significant effect on the assessment of OM's assets and liabilities as well as its financial position or result.

Name	Domicile	Field of activity	Equity share and votes held by OM	Turnover (including internal) 2002 (SEK m)
Stockholmsbörsen AB	Stockholm	Listing, trading, clearing	100 %	867
OM London Exchange Ltd	London, UK	Trading, clearing	100 %	150
OM Technology AB	Stockholm	System provider for financial markets	100 %	1 170
OM Technology Energy Systems AS	Halden, Norway	System provider for energy markets	100 %	88
OM Broker Services AB	Stockholm	Back-office services	100 %	183
OM Technology Ltd	London, UK	System provider for financial markets	100 %	139
OM Technology Inc	New York, USA	System provider for financial markets	100 %	147
Natural Gas Exchange Inc*	Calgary, Canada	Trading, clearing	100 %	74
ORC Software AB	Stockholm	System provider for financial markets	30 %	

* In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

For information on the main investments made during the years 2000 – 2003, as well as the main investments that are ongoing or planned, please see section "OM – Financial summary – Investments". Please see also "OM – Financial Summary – Events subsequent to the interim report".

Pension schemes

OM has a standard pension scheme for all employees. OM's scheme is based on the principles of a market-based occupational pension scheme. The premium is a fixed percentage of salary up to 30 basic amounts (Swedish: *prisbasbelopp*) for different age intervals. Premium provision increases with age. Each pension holder has discretion over how his or her pension fund is to be managed.

Pension commitments are fulfilled through premium payments to independent insurers. A pension expense corresponding to the premiums paid is charged to revenue on an ongoing basis for these premium-based pension schemes.

In addition to OM's standard pension scheme, with effect from 2002, Acting Chief Executive Officer Magnus Böcker has premium-based pension benefits that aim to provide an old-age pension corresponding to 60 percent of base salary at age 60. The total premium provision amounts to 23 percent of his base salary.

The portion of the pension described above that is deductible will be treated as occupational pension insurance. Those premium portions that due to their size cannot be treated as occupational pension will therefore be treated as direct pension commitments.

Insurance

OM maintains an insurance program that the Board of Directors considers satisfactory in view of the risks arising in the operations. No part of the operations is considered to be of such a nature that insurance coverage cannot be procured on reasonable terms. The program covers *inter alia* property- and business interruption insurance, general liability insurance, directors and officers liability insurance, professional indemnity insurance, crime insurance, employment practices liability insurance and pension trustee liability insurance.

Intellectual property

OM claims copyright to the software products developed by the Group. Moreover, OM holds a number of patent/patent applications and licenses. The Board of Directors does not consider the business of OM to be dependent on any single patent/patent application or license. Apart from the name OM and the name Stockholmsbörsen, no trademark is of significant importance for OM's commercial operations, financial position or net income. OM has also registered a number of domain names.

Legal disputes

OM's technology operations are currently involved in a legal dispute relating to a systems delivery in respect of which the customer has raised a claim against OM, which OM has contested. OM has brought a claim against the customer, which the customer has contested. OM has not made any provision for the claim.

OM's technology operations have reached a settlement with respect to a dispute regarding payments under a support agreement. The settlement agreement is expected to be signed within a short time.

OM Technology (US) Inc and OM AB have been sued by eSpeed regarding alleged patent infringement. For further information, please see "OM – Financial summary – Events subsequent to the interim report".

In December 2002, Stockholm City Court cleared OM of all charges in a case in which OM had been sued for damages relating to a previous joint venture agreement. OM had contested the claim and the Court ruled in OM's favor. The decision has not been appealed.

With regard to Stockholmsbörsen, it was announced in June 2002 that Stockholmsbörsen had been sued by a number of members concerning a demand for the repayment of value added tax in a total amount of SEK 180 m plus substantial interest. Stockholmsbörsen has contested the claims. OM has not made any provision for said claims.

No other current disputes, either individually or collectively, are considered to pose any material threat to the group's commercial operations, its financial position or its net income.

Tax disputes

In 2001, an expense provision of SEK 18 m was made relating to two ongoing taxation disputes. The provision remains unchanged in OM's records as no court decision has been delivered as of the date of this Prospectus.

During 2002, OM's associated company NLK lost a taxation dispute in the County Court. NLK has appealed the decision in the Administrative Court of Appeal. No provision has been made, as the dispute is not considered to have a material impact on OM's financial results.

OM has received a consideration for a decision from the Swedish tax authority in which the tax authority is considering levying VAT in the amount of SEK 20.7 m on Facility Management Services bought by Stockholmsbörsen from OM Technology during the period October 2002 to March 2003. Stockholmsbörsen may deduct 41 percent of the amount as input VAT, thus, the non-deductible amount for the period is SEK 12.2 m. Since the tax authority's consideration for decision only includes the period up to and including March 2003, it can be assumed that the tax authority will also consider levying VAT on the Facility Management Services after this date. OM has, in response to the tax authority, contested the levying of any VAT. OM will seek an advance ruling from the Council for Advance Tax Rulings with respect to this matter.

No other current tax disputes, either individually or collectively, are considered to pose any material threat to the Group's commercial operations, its financial position or its net income.

AUTHORIZATIONS, SUPERVISION AND REGULATORY FRAMEWORK

Set forth below is a summary of certain rules on authorizations and supervision pursuant to Swedish law that are relevant with respect to the business operations of OM and in effect on the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to applicable Swedish laws.

Authorizations

OM's securities exchange operations

Stockholmsbörsen is an authorized securities exchange. Pursuant to the Swedish Securities Exchange and Clearing Operations Act *(lag (1992:543) om börs- och clearingverksamhet)* (the "**Exchange and Clearing Act**"), a securities exchange shall conduct its business in such a manner that public confidence is maintained in the securities markets and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business can be deemed to be sound.

For the purpose of maintaining public confidence in the securities markets, Stockholmsbörsen is required to maintain appropriate rules and regulations that govern trading on the exchange. Furthermore, it shall supervise trading and price information on the exchange and shall ensure that trading is carried out in compliance with the Exchange and Clearing Act and other applicable legislation and in accordance with sound trading practices for securities markets. Stockholmsbörsen is also required to have a disciplinary committee charged with the task of handling breaches of its rules and regulations by members and issuers. Upon request by the SFSA, Stockholmsbörsen shall give the SFSA access to its system for monitoring trading and price trends. The listing agreements with issuers and the agreements with securities exchange members contain provisions enabling Stockholmsbörsen to fulfill the duties described above.

OM's clearing operations

Stockholmsbörsen is licensed as a clearing organization under the Exchange and Clearing Act and offers clearing for trading in both equity-related and fixed-income related derivative products. As a clearing organization, Stockholmsbörsen shall conduct its business in such a manner that public confidence is maintained in the securities markets and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business can be deemed to be sound. It shall further fulfill the security requirements associated with the operations it conducts. As a clearing organization, Stockholmsbörsen shall, through its capital, guarantees or insurance, or in some other similar manner, possess sufficient resources to fulfill any obligation that it may incur as a consequence of the clearing operations.

For the purpose of maintaining public confidence in the securities markets, Stockholmsbörsen shall maintain appropriate rules and regulations governing the clearing operations it conducts. Clearing shall be carried out in compliance with the Exchange and Clearing Act and other applicable legislation and in accordance with sound trading practices for securities markets. Since Stockholmsbörsen in its clearing operations becomes a party to the transactions so cleared or guarantees the obligations of third parties, it is under the obligation to ensure that, upon clearing, sufficient security is provided for obligations incurred and that such security is maintained during the entire duration of the obligation.

OM's securities operations

OM Broker Services AB ("**OM Broker Services**"), a subsidiary of OM AB, which offers back-office services, is licensed to conduct securities business pursuant to the Swedish Securities Business Act *(lag (1991:981) om värdepappersrörelse)* (the "**SBA**") with respect to intermediation between buyers and sellers of financial instruments or other assistance in transactions regarding such instruments and underwriting or other participation in the issuance of securities or offers to purchase or sell financial instruments directed to the public. Furthermore, as ancillary operations, OM Broker Services is authorized to accept securities for safe custody and customers' funds on account.

The securities business shall be conducted in such a manner that public confidence is maintained in the securities market and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business operations may be deemed to be sound. Specific rules regarding restricted shareholders' equity apply to OM Broker Services pursuant to the SBA, the equity of which must be above certain thresholds. In addition, specific provisions apply with respect to capital adequacy requirements.

OM's fund operations

XACT Fonder is licensed to conduct fund operations and to operate national funds pursuant to the Swedish Mutual Funds Act *(lag (1990:1114) om värdepappersfonder)* (the "**Funds Act**"). As of the date of this Prospectus, XACT Fonder operates nine national funds, of which two are Exchange Traded Funds listed on Stockholmsbörsen.

Supervision

In conducting its securities exchange and clearing operations and securities business, Stockholmsbörsen and OM Broker Services, respectively, are subject to the supervision of the SFSA. Thus, Stockholmsbörsen and OM Broker Services are under the obligation to provide the SFSA with any information regarding their respective operations and related circumstances as requested by the SFSA. The SFSA shall in its supervision promote the development of sound securities markets. A resolution to amend the Articles of Association of Stockholmsbörsen and OM Broker Services may not be registered by the Swedish Patent and Registration Office prior to the approval of such a resolution by the SFSA.

Should Stockholmsbörsen or OM Broker Services adopt a resolution that contravenes the Exchange and Clearing Act or the SBA, respectively, or other legislation that governs their respective operations, regulations issued pursuant to the Exchange and Clearing Act or the SBA, respectively, or other legislation, or the Articles of Association, the SFSA may enjoin the implementation of such a resolution. In the event that the resolution has been implemented, the SFSA may issue an order to remedy the situation, where possible.

The authorization to conduct securities exchange operations, the license to conduct clearing operations and the license to conduct securities business may be revoked by the SFSA if, *inter alia,* Stockholmsbörsen or OM Broker Services should, through contraventions of the Exchange and Clearing Act or the SBA, respectively, or other regulations adopted pursuant to the Exchange and Clearing Act or the SBA, respectively, or in some other manner, demonstrate that they are not suitable to carry out their respective operations under their authorization or license. Where sufficient, the SFSA may instead issue a warning. Orders or injunctions issued by the SFSA pursuant to the Exchange and Clearing Act and the SBA may be issued in conjunction with a conditional fine.

In conducting its operations, XACT Fonder is subject to the supervision of the SFSA and shall provide the SFSA with any information regarding its operations and related circumstances as requested by the SFSA. The SFSA shall in its supervision promote the development of sound operations. The authorization to conduct fund operations and to operate national funds may be revoked by the SFSA should XACT Fonder lose one-third of its share capital and the deficiency is not covered within three months from discovery or should, through contravention of the Funds Act or in any other manner, XACT Fonder prove to be unsuitable to operate the business.

Since OM has a qualified holding in, and is listed on, Stockholmsbörsen, certain specific rules apply to OM as a listed company, and Stockholmsbörsen's supervision of OM, by comparison with other companies listed on Stockholms börsen. Under such rules, OM is, having such qualified holding, under the supervision of the SFSA and shall provide the SFSA with any information regarding its operations that the SFSA requests. Moreover, Stockholmsbörsen is required to forward the information provided by OM under the rules and regulations of Stockholmsbörsen to the SFSA. Furthermore, Stockholmsbörsen's disciplinary committee shall be obliged to examine a matter if the SFSA so requests.

The Exchange and Clearing Act and the SBA also contain rules on ownership control, please see section "OM – Shares, share capital and shareholder structure – Ownership control".

Reporting obligations and trading rules of OM employees

Reporting obligations

An employee of a securities company, a stock exchange or an authorized marketplace, who normally could be deemed to have access to non public information regarding such matters that may affect the market price of financial instruments must, in writing, report its holdings of financial instruments, and changes in such holdings, to his or her employer. In this regard, financial instruments held by certain closely related persons are to be treated as the employees' own financial instruments. The securities company, stock exchange or authorized marketplace shall keep a register for such holdings of financial instruments. For further information on disclosure of interest in general, please see "Securities markets – The Swedish securities market – Disclosures of interests and insider regulations".

Internal trading rules

OM has adopted trading rules for employees' transactions in securities and foreign currencies that comply with the rules of Swedish Securities Dealers Association. In addition, OM has adopted certain OM-specific rules regarding OM shares and securities listed on Stockholmsbörsen or OMLX.

The rules adopted stipulate in brief that no employee, irrespective of his or her position, may utilize this position either for his or her own, or for a third party's benefit, in order to obtain such advantages in conjunction with transactions in securities or currencies that OM's clients (for example members and investors) are unable to obtain. Nor may an employee act in such a way that any suspicion may arise that such has occurred.

Accordingly, every employee is prohibited, either for his or her own, or for a third party's benefit, from executing transactions in securities or foreign currencies by making use of any form of price-sensitive information which has not, as yet, been disseminated in the market, or been made public. The prohibition applies irrespective of how long a period the investment is intended to be for, and irrespective of how great the effect on the price may be expected to be. Nor is it permissible to recommend to closely associated persons that they execute, or refrain from executing, such transactions in securities or currencies where such recommendation is based on price-sensitive information that has not yet been disseminated in the market or been made public.

In addition to the above, OM's trading rules for employees' transactions in securities and foreign currencies comprise, among other things, trading prohibitions in OM shares during certain time periods, specific rules on the minimum holding period, notification requirements for transactions and rules regarding discretionary management, savings in securities funds and pension savings.

For further information, please see "Securities markets – The Swedish securities market – Disclosures of interests and insider regulations".

Authorization and supervision in other jurisdictions

OMLX and EDX London in the UK, and NGX[1] in Canada, have authorization to conduct their respective operations and are under the supervision of regulatory authorities in their respective jurisdictions.

[1] In connection with the restructuring and consolidation of OM's energy market business, it is the intention to divest NGX. Please see "OM – Financial summary – Events subsequent to the interim report" for further information.

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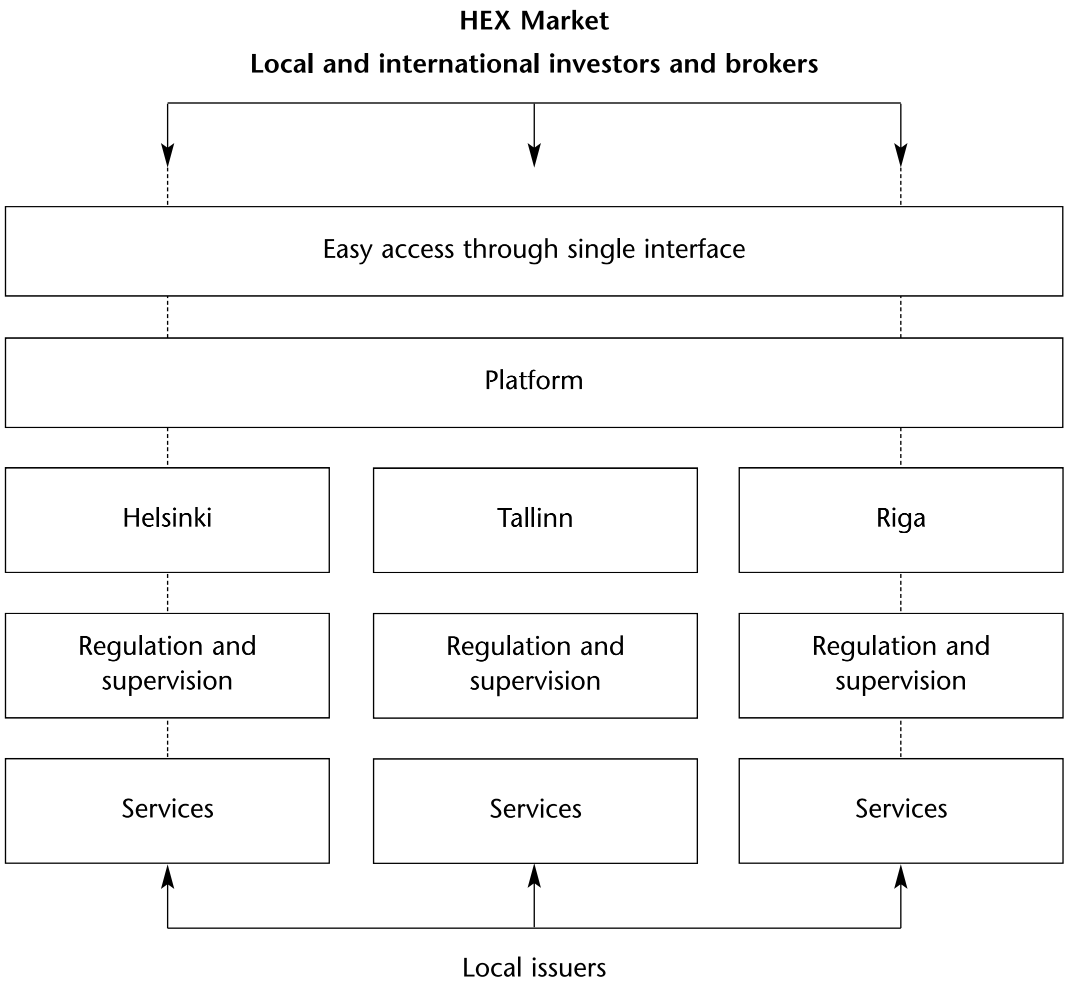
The information provided in the following section on HEX on a stand-alone basis does not take into account the effect of the combination between OM and HEX. The most important risks related to HEX's business operations which can have a material effect on HEX's operations and financial position are presented in section "OM HEX – Risk factors".

BUSINESS DESCRIPTION

Introduction

HEX consists of the parent company HEX Plc and its subsidiaries. HEX owns and operates the exchanges and central securities depositories in Finland, Estonia and Latvia. HEX offers issuers, investors and brokers all of the marketplace services related to the value chain of securities and derivatives dealing – trading, clearing, settlement and the deposit and registration of ownership.

HEX's strategy is to build a strong regional market that combines the benefits of local and borderless operations. In addition to local expertise and service, HEX's extensive distribution networks provide customers with connections to international capital. HEX's investment product range and the ease of access to the market attract both local and international investors and trading members. HEX's business operations can be illustrated as follows (the illustration below does not refer to an actual legal, technical, operational or organizational structure):



HEX has extended its range of services offered to market participants to also include outsourcing services, such as back office services, IR-services and Global Market Information Service.

History in brief

The origins of HEX date back to 1912 when the Helsinki Stock Exchange was founded. After operating as a financial association for over 70 years, the Stock Exchange was reorganized as a co-operative owned by members and, subsequently, listed companies. In 1995, the Stock Exchange was turned into a limited liability company.

In equity trading, the electric quotation board used since 1935 was replaced by the electronic HETI trading system between 1987 and 1989. Floor trading was discontinued entirely in 1990. The calculation of HEX share price indices started in June 1990, followed by HEX yield indices and share-series-specific indices the following year. Prior to this, market development had been measured by indices calculated by the major banks.

In 1997, the Helsinki Stock Exchange Ltd merged with SOM Ltd, the Finnish derivatives market operator established in 1987, to create an integrated cash and derivatives market, the Helsinki Exchanges (HEX Ltd, Helsinki Securities and Derivatives Exchange, Clearing House).

The dematerialization of the Finnish securities market began in May 1992 with the introduction of the book-entry securities system. The transfer from share certificates into book-entries was made compulsory for listed companies. By 1995, practically all companies listed on the Helsinki Stock Exchange had made the transfer. The Central Share Register in Finland and the Securities Association (the joint operators of the book-entry system), together with the Helsinki Money Market Centre and the Stock Exchange's clearing and settlement unit, merged in early 1997 to create the Finnish Central Securities Depository Ltd (APK). This company, in turn, was acquired by the Helsinki Exchanges in 1998 to create the current HEX group. The parent company, Helsinki Exchanges Group Oyj, was renamed HEX Plc in 2001.

In 2001, HEX acquired a majority holding in the Estonian Tallinn Stock Exchange Group, which is made up of the Tallinn Stock Exchange and the Estonian CSD. The HETI Trading system was adopted for trading in Estonian shares in February 2002.

HEX's Baltic expansion continued in the summer of 2002 when the company acquired a majority shareholding in the Riga Stock Exchange Group. The group comprises Riga Stock Exchange and the Latvian Central Depository.

Today, HEX owns and operates vertically integrated marketplaces in Helsinki, Tallinn and Riga.

Organizational structure

The operational management of HEX takes place within its business units.

In the business organization described in this Prospectus, HEX's operations are divided into six business units:

- **Trading** is responsible for maintaining public and other forms of trading in Finnish shares, derivatives, bonds and other financial instruments, such as covered warrants, clearing of derivatives instruments, as well as providing market information to vendors for further distribution. The business unit also includes the co-operation with Eurex.
- **Settlement and Depository** is responsible for the maintenance and operation of the Finnish book-entry system as well as the operation of clearing, settlement and depository activities.
- **Issuer Services** handles the listing of securities and provides services to listed companies.
- **Securities Services** provides market participants with outsourcing services related to the book-entry system and to back-office operations.
- **Information Solutions** provides companies with information services utilizing electronic distribution channels.
- **Baltic Operations** maintains the stock exchanges, central securities depositories and funded pension account registers in Estonia and Latvia.

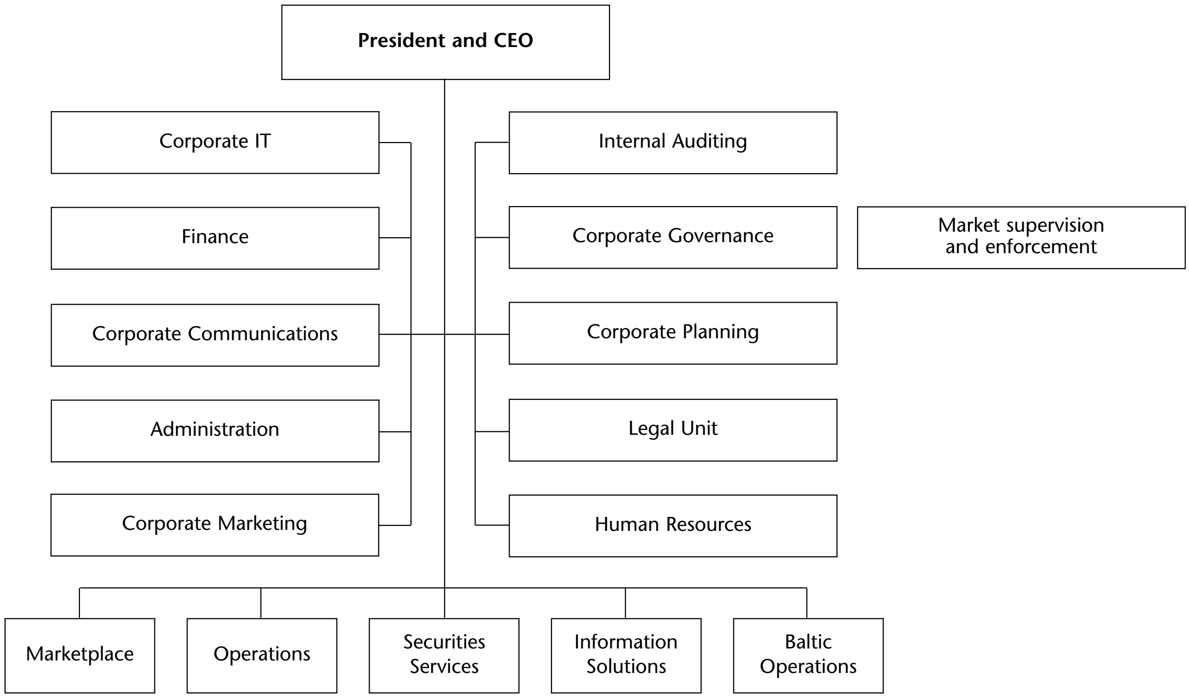
The organization described above was in force until the end of March 2003. On 1 April 2003, HEX's transaction business was reorganized. The former transaction business units Trading, Issuer Services and Settlement and Depository were reorganized into two new business units, Operations and Marketplace.

The Operations business unit consists of the former Settlement and Depository business unit and the ownership information services and CSD functions of the former Issuer Services unit.

The Marketplace business unit consists of the former Trading business unit and the sales and marketing functions of the former Issuer Services and Settlement and Depository business units.

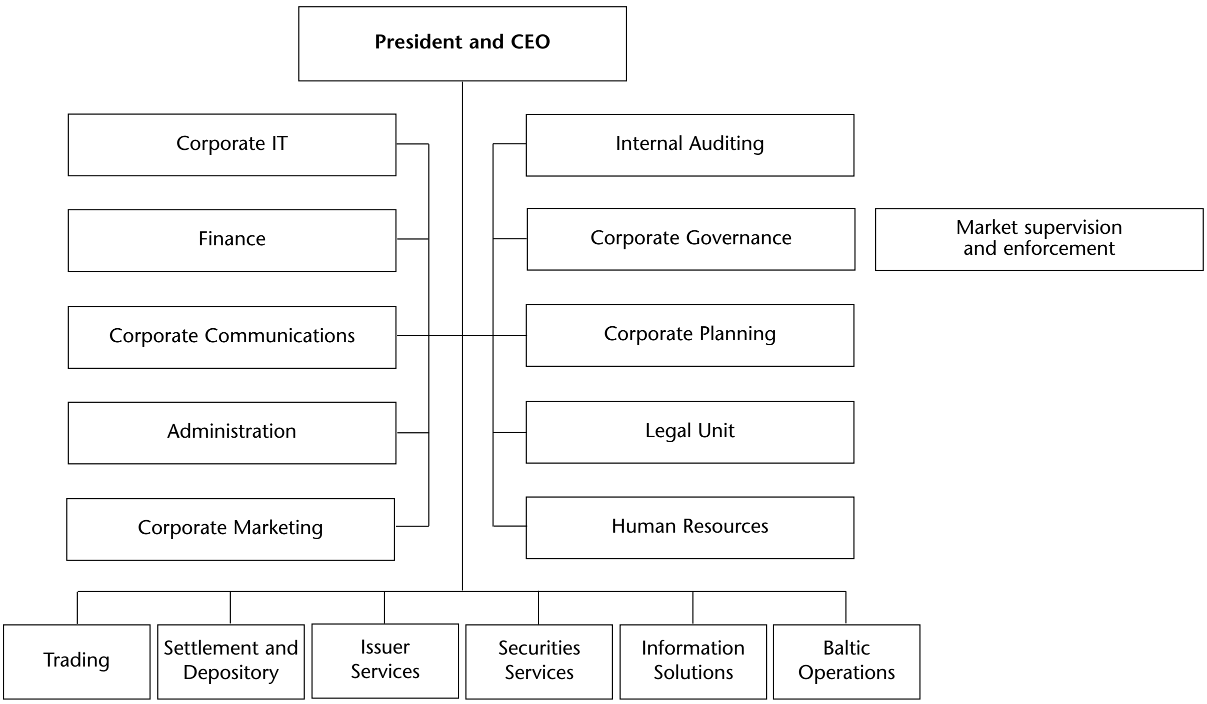
For a more detailed description of the business units, please see "HEX – Operations and business units".

Business Organization as from 1 April 2003



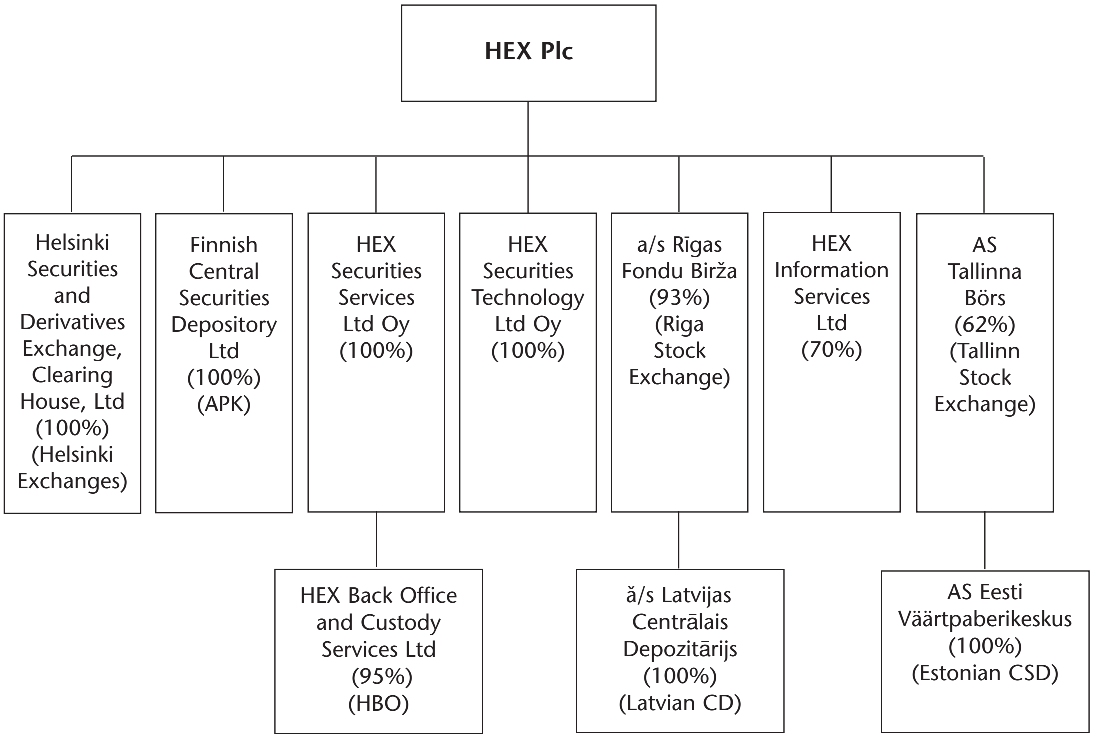
In order to be consistent with the corresponding previous reporting, the business units are described as they were until 31 March 2003:

Business Organization until 31 March 2003



Legal structure

HEX Plc is the parent company holding several wholly and partially owned subsidiaries. The legal structure of the HEX group of companies is presented in "Appendix B – Financial Information – HEX – Organization chart – HEX". For a complete list of HEX subsidiaries, please see: "Appendix B – Financial Information – HEX – Notes to the Balance sheet – Note 10".



Objectives and strategies

HEX's objective is to improve its strategic position in its field of business. HEX strives to attain its objective by:

- operating in a reliable, efficient and customer-oriented way,
- strengthening the attractiveness of its home market, and
- actively influencing the development of the regulation and structure of the European securities market.

HEX's core values are:

1. Reliability
   HEX is a transparent marketplace, the quality and reliability of which correspond to customer needs. HEX's objective is to exceed business standards regarding the quality and reliability of operations.

2. Customer orientation
   HEX offers customers comprehensive automated investment services, irrespective of the customer's domicile. Processes and interfaces are designed from the customer's point of view and are clear and easy to use. Product development and changes to the field of business are carried out in co-operation with customers.

3. Appreciation of individuals
   HEX respects the individuality of people and offers all its employees opportunities to succeed at work. HEX encourages individuals to influence their own objectives and job description.

4. Profitability
   HEX aims at profitable growth in selected areas extending its service offering carefully and continuously monitoring and developing overall efficiency.

5. Continuous development
   HEX aims at continuously being a fast, innovative and active player in its field of business. HEX believes that its products remain interesting and competitive due to continuous product development.

Financial targets

HEX aims for profitable growth in selected geographical areas, products and customer sectors with a focus on profitable products and services with sufficient potential. Total efficiency is continuously monitored, evaluated and developed.

OPERATIONS AND BUSINESS UNITS

General

HEX offers Finnish and foreign investors, investment banks and brokers efficient, technologically advanced exchange services for Finnish, Estonian and Latvian securities. The objective is to be the marketplace with the best liquidity for all Finnish and Baltic financial instruments and also to be the listing place of choice for Finnish and Baltic companies.

HEX's management believes that HEX is a cost-efficient, reliable and transparent marketplace with the added strategic benefit of displaying top-notch technological skills. Finnish and foreign banks and brokerage firms can act as trading members on the securities and derivatives markets. Brokers may either assign the clearing of the trades carried out in the automated trading system of the Stock Exchange to an existing clearing party or apply for clearing party status in APK's clearing system.

HEX enhances its outsourcing services, including investor relations, Global Market Information Service, back office, derivatives clearing, account operator, securities lending and collateral management services. By outsourcing their operations to HEX, brokers save resources and costs while continuing to offer customers high quality services.

HEX's management believes that investors consider HEX to be a reliable marketplace that offers trading with good liquidity. Pursuant to the provisions of the SMA and the rules of Helsinki Exchanges, each listed company is required to disclose information openly and truthfully to all market participants on equal grounds. Companies use HEX's HETI trading system to provide information without delay concerning issues that may materially influence share prices. This means that company disclosures are available to market participants and investors in real time through information vendors. The same applies to trading information. The information is also available, for example, on HEX's website, which also offers market information to the public free of charge but with a slight delay.

To ensure the transparency of markets, the ownership information of issuers and of insiders of issuers and market participants is public as prescribed in the Securities Market Act.

HEX competes directly with the largest marketplaces in the world. The management of HEX believes that HEX has been successful in recent years, the turnover velocity of shares has risen to a high level by European standards and HEX's market share of worldwide Nokia equity trading had increased to 63 percent by the end of May 2003.

In this Prospectus, HEX's operations are described as they were until 31 March 2003. For further information on the reorganization of the HEX's business units made on 1 April 2003, please see section: "HEX – Business description – Organizational structure".

Operational management of HEX takes place within six business units: Trading, Settlement and Depository, Issuer Services, Securities Services, Information Solutions and Baltic Operations.

	Group			Parent company		
Turnover by business unit (EUR 1 000)	**2002**	**2001**	**2000**	**2002**	**2001**	**2000**
Trading	46 493	49 139	32 681	-	-	-
Settlement and Depository	17 498	19 727	17 800	-	-	-
Issuer Services	16 539	16 670	18 661	-	-	-
Securities Services	11 811	7 410	5 849	-	-	-
Information Solutions (eHEX)	1 621	886	1 500	-	-	-
Baltic Operations	2 826	831	-	-	-	-
Other operations	226	259	63	13	180	33
Intercompany turnover	-4 099	-2 872	-1 769	25 107	21 023	11 904
Total	**92 915**	**92 050**	**74 785**	**25 120**	**21 203**	**11 937**

Turnover by country (EUR 1 000)	**2002**	**2001**	**2000**
Finland	90 089	91 219	74 785
Estonia	1 985	831	-
Latvia	841	-	-
Total	**92 915**	**92 050**	**74 785**

Trading

The Trading business unit (part of the Marketplace business unit since 1 April 2003) offers Finnish and foreign investors and trading members trading services for Finnish shares, derivatives, bonds and other financial instruments, such as covered warrants, as well as derivatives clearing services. In addition, Trading produces market information. Within the derivatives operations, HEX has entered into an alliance with the leading derivatives market, Eurex, and receives revenues from the trading of Finnish derivatives on Eurex. This revenue represents a considerable part of the revenue and profit of the Trading business unit. Nokia derivatives represent more than 90 percent of the volume of the derivatives based on Finnish securities traded on Eurex.

Equity trading on the Helsinki Exchanges is based on automated wholesale. Brokers employed by brokerage firms trade shares, warrants, subscription rights, covered warrants, debt instruments and other securities in the HETI trading system. Trading information is automatically transferred from the HETI trading system to the clearing system.

The product range of Trading has been actively extended in recent years to cover, among other things, trading in covered warrants, fund units (Exchange Traded Funds, ETFs), derivatives based on the HEXTech index and derivatives based on average temperature. Furthermore, a new list for trading in Swedish shares was established in the trading system in December 2002. Block trading (trading in large share lots outside the spread) has also been introduced.

Upgraded versions of the trading system have made it possible, among other things, to introduce Estonian shares, new financial instruments and new types of offers to the system. Correspondingly, market information related to Estonian shares and new products have been introduced in the market information distribution system.

In 2002 and 2003, the focal point of trading system development has been the construction of a new trading interface. It is planned that the new interface will gradually replace both of the currently used trading interfaces starting from August 2003.

The turnover of Trading amounted to EUR 46.5 m in 2002 (2001: EUR 49.1 m), and to EUR 9.9 m in the first quarter of 2003 (1-3/2002: EUR 12.9 m). During the first quarter of 2003 Trading's profitability decreased considerably. The financial performance was affected by the decline in the value of equity trading and in the number of traded derivatives contracts on Eurex, and price cuts.

Effective 1 January 2002, Eurex reduced the market-making fees collected from brokers, which resulted in an approximately 20 percent decrease in income from derivatives trading. At the beginning of February 2003, Eurex lowered its intermediating and market-making prices for derivatives brokers. The new prices are estimated to lower the income HEX receives from derivatives trading at Eurex by approximately 15 percent.

HEX lowered the fees levied on brokers involved in cash transactions at the beginning of April 2002.

Settlement and Depository

The Settlement and Depository business unit (part of the Operations business unit since 1 April 2003) is responsible for processing Finnish and foreign securities in the HEX book-entry register and settlement systems. The business unit clears and settles shares and debt securities from the seller to the buyer and processes the company events of issuers in the book-entry system, including dividends and various capital arrangements. It also maintains and operates links to foreign CSDs that allow foreign securities to be transferred across borders and kept in depositories outside of the country of issue.

HEX's settlement and depository operations aims at further improving its service level and cost efficiency. Together with market participants, Settlement and Depository is preparing for expected changes in international operating models, including a multi-layered account and settlement structure, central counterparty (CCP) clearing structure and an extended range of financial instruments.

In recent years, IT development operations have been focused on the development of a new clearing and settlement system, HEXClear. The RTGS-based (real time gross settlement) HEXClear will replace the current clearing system starting in late 2003. The key objective of HEXClear is to make settlement operations more effective and reduce the operational risk. The system is linked to the book-entry register in real time.

The HEX link network covers VPC in Sweden, Clearstream in Germany, Euroclear in France, Necigef in the Netherlands, HEX Tallinn in Estonia and (through Germany) SIS in Switzerland. The link facilitates easy cross-border transfer of securities and allows foreign securities to be deposited in the Finnish book-entry system.

The business unit generated EUR 17.5 m (2001: EUR 19.7 m) of turnover in 2002 and EUR 4.8 m in the first quarter of 2003 (1-3/2002: EUR 4.1 m). In 2002, the turnover fell due to the transfer of the account operator service of APK to the Securities Services business unit. The business unit made a loss in 2002, but achieved positive results in the first quarter of 2003. Profit in 2002 was affected by decreases in the values of deposited assets, companies in the book-entry system and money market instruments. In the first quarter of 2003, the positive development was due partly to an increase in transactions and partly to an extension of HEX's link network to VPC. The account operator service of APK was transferred back to the Settlement and Depository business unit on 1 January 2003.

Issuer Services

Issuer Services offers companies access to capital markets by connecting companies in need of capital and visibility with investors and a vast distribution network of market information.

The operating areas of Issuer Services (divided between the Operations and Marketplace business units since 1 April 2003) include listing of securities on the Helsinki Exchanges and providing services to listed companies as well as implementing mergers, demergers and acquisitions and capital arrangements, shareholder meeting services and training.

The malpractice cases related to corporate accounting in the United States and the consequent regulatory actions taken have been reflected in the international market. In addition to European companies listed in the US, the development is expected to affect also other companies and international marketplaces in Europe.

Issuer Services develops Helsinki Exchanges' rules and regulations relating to the listing of securities and the disclosure obligation of listed companies. To enhance the quality and reliability of the HEX market, Issuer Services has adjusted the prerequisites for listing, the listing process and the information disclosure obligations of listed companies in more detail.

A new prerequisite set by Helsinki Exchanges for listing is that corporate management, performance monitoring, risk management and responsibility relations must comply with stock exchange requirements. A Listing Committee, which is subordinate to the Board of Directors of Helsinki Exchanges and comprises five members, was established in September 2002. The Listing Committee decides on the admission of shares to the Main List, I List and NM List. In addition, the role of the main advisor responsible for listing arrangements was specified in more detail by including a requirement to include a statement of such an advisor certifying that the company seeking listing fulfills the listing criteria.

Investors received a new tool for evaluating the finances of listed companies when cash flow statements were introduced by Helsinki Exchanges as an obligatory part of listed companies' financial reporting in the beginning of 2003. Companies on the I List, NM List or Pre-List with a short history, as well as companies where shareholders' equity is less than share capital, are also required to submit a substantiated statement of the sufficiency of funds over the subsequent 12 months.

The turnover of Issuer Services amounted to EUR 16.5 m in 2002 (2001: EUR 16.7 m) and to EUR 4.3 m in the first quarter of 2003 (1-3/2002: EUR 4.1 m). The business unit's profitability has remained good and increased slightly in the first quarter of 2003.

Securities Services

The Securities Services business unit provides outsourcing services for participants operating in the securities markets.

In 2002, Securities Services extended its service offering to cover settlement and custody services for securities trading in Estonia. HEX Back Office and Custody Services Ltd (HBO) started as a remote account operator in the Estonian CSD when trading in Estonian equities was transferred to the HEX system.

The back-office service gained its first foreign trading member customers in 2002 and has expanded its foreign client base in the first quarter of 2003.

Securities Services' Book-entry Service has 16 clients, whose share of all settlement transactions in Finland was approximately 40 percent in 2002. The share of the market value of all book-entry securities in the depository was slightly less than 10 percent.

The turnover of Securities Services was EUR 11.8 m in 2002 (2001: EUR 7.4 m), due to strong development efforts resulting in a loss. Contributors to the expansion of the business during 2002 included the acquisition of HBO in September 2001 and the transfer of the account operator service of APK to the Securities Services business unit from the Settlement and Depository business unit in 2002. In the first quarter of 2003, growth was slowed by the general market situation and turnover amounted to EUR 2.7 m (1-3/2002: EUR 2.7 m). During the first quarter of 2003 the business unit's profitability improved, but the result remained negative. The account operator service of APK was transferred back to the Settlement and Depository business unit on 1 January 2003.

Information Solutions

Information Solutions provides companies with information services utilizing electronic distribution channels. Information Solutions offers services related to funds, performance measurements, investor relations and global market information. Global Market Information Service, introduced in January 2002, offers customized market information distributed via electronic distribution channels. The target customers include market participants who offer online services, such as trading members, banks, mutual fund companies and the media. The service is offered in co-operation with IS Innovative Software AG of Germany. At the date of this Prospectus, the HEX Global Market Information Service has five customers.

The Investor Relations service has established its position as a provider of electronic IR services to issuers. At the end of May 2003, 16 listed companies of various sizes in different sectors were using the service.

Information Solutions maintains Helsinki Exchanges' mutual fund list of the daily prices of mutual funds. The number of funds included in the list has increased significantly, with a total of 150 new funds entering the list in 2002 alone. At the end of May 2003, the mutual funds report included almost 830 different funds.

Information Solutions generated EUR 1.6 m of turnover in 2002 (2001: EUR 0.9 m), although the business unit remained unprofitable. In the first quarter of 2003, Information Solutions generated EUR 0.6 m of turnover (1-3/2002: EUR 0.2 m) and its loss was reduced.

Baltic Operations

Baltic Operations provides Baltic and foreign investors and trading members with trading services for Estonian and Latvian shares, bonds and other financial instruments, as well as settlement and depository services. Furthermore, Baltic Operations operates the funded pension account register systems in Estonia and Latvia. The business unit consists of the Tallinn Stock Exchange Group and the Riga Stock Exchange Group, which own the respective exchange and central securities depository.

The trading of shares listed in the Tallinn Stock Exchange was transferred to the HEX trading system in late February 2002, when the Tallinn Stock Exchange and Estonian CSD adopted HEX Tallinn as their common marketing name.

The management of HEX expects substantial growth in the Estonian and Latvian markets due to government pension reforms. The pension reforms have created a system of voluntary pension fund savings supplementing the obligatory pension system. In both countries, the local CSDs belonging to the HEX group supply and maintain the account register for the funded pension system.

In Latvia, the second part of the pension system has been operating for over a year, and 374,600 persons had joined the system by the beginning of April 2003. At the beginning of 2003, the management of pension funds was extended to private fund companies. Before that, only the government could operate as a pension fund manager in Latvia. At the end of May 2003, there were seven private pension fund companies.

In Estonia, the voluntary funded pension system was introduced in May 2002. The popularity of voluntary pension savings exceeded the original expectations by more than double, when 209,000 persons had joined the system by the end of 2002, increasing to approximately 238,000 by the end of May 2003.

All joint stock companies in Estonia must register their shares in the Estonian CSD register by 1 July 2003 at the latest. By the end of May 2003, 4,900 companies, or 77 percent of all joint stock companies, had registered their shares.

The turnover of Baltic Operations was EUR 2.8 m in 2002 (EUR 0.8 m from May to December 2001) and EUR 1.0 m in the first quarter of 2003 (1-3/2002: EUR 0.4 m). The increase in turnover was due to the Riga Stock Exchange Group acquisition and the growth of register services. The business operations turned profitable in the first quarter of 2003. In 2002, the business unit's result was negative due to integration and acquisition costs. The Riga Stock Exchange Group was combined with Baltic Operations on 1 September 2002.

Business outlook

HEX's business outlook for 2003 is uncertain due to the effect of the instability of the economy on the capital market activity. During January – May 2003, the value of equity trading and the market capitalization of listed companies at the Helsinki Exchanges declined by 32 and 8 percent, respectively. HEX's income is also affected by the Eurex price cuts introduced in February 2003.

OPERATING ENVIRONMENT

Marketplace Helsinki

Key data Helsinki exchanges	EUR
Cash market data	
Market capitalization, 31 May 2003 (bn)	144
Market capitalization, 2002 year-end (bn)	151
Turnover, 2002 (bn)	189
Daily average turnover, 2002 (bn)	0.8
Turnover velocity, 2002 (%)	117
Number of listed companies (all lists), 2002 year-end	149
Number of cash members, 2002 year-end	43
Derivatives market data*	
Number of traded contracts, 2002 (m)	4.2
Number of derivative members, 2002 year-end	18

* Excluding HEX's co-operation with Eurex.

Top ten issuers by value of equity turnover, January – May 2003	% of total
Nokia Corporation	71.9
UPM-Kymmene Corporation	7.1
Stora Enso Oyj	5.5
Instrumentarium Corporation	1.9
Fortum Corporation	1.4
Sampo Plc	1.1
Tietoenator Corporation	1.0
TeliaSonera AB	0.8
Metso Corporation	0.8
Kone Corporation	0.7
Total top ten issuers	**92.2**

The sentiment in the Finnish securities markets has been uncertain in the last three years, following a historical rally in the late 1990s. The market capitalization and HEX All-share index have fallen for the fourth year in a row. At the end of May 2003, the HEX All-Share Index closed at 5,612 points, 69 percent below its all-time high of 18,331 points on 2 May 2000. The market capitalization of shares listed on the Helsinki Exchanges was EUR 151 billion at the end of 2002 and EUR 144 billion at the end of May 2003.

Despite the downward trend, trading in shares has remained active. The value of share trading increased rapidly until 2000, reaching a record of EUR 227 billion in 2000 but decreasing slightly in 2001 and 2002. The value of share trading in 2002 was EUR 189 billion.

The yearly number of trades has increased from 3.2 million in 2000 to 3.5 million in 2002, and the turnover velocity of shares has increased to 117 percent.

In terms of traded securities, trading activity has remained on the same level in 2003 as in 2002. The daily average turnover of shares was 48.1 million during January – May 2003, compared with 48.1 million shares during January – May 2002.

An increasing proportion of global trading in Nokia Corporation's shares has been concentrated in Helsinki. The share of Nokia trading conducted in Helsinki has increased from 30 – 40 percent in 2000 to 58 percent in 2002, and continued to climb to 63 percent at the end of May 2003. Nokia is the most traded share at the Helsinki Exchanges, representing approximately 70 percent share of the total value of trading on all lists and approximately 50 percent of the total market capitalization.

Investors also actively leverage the price volatility in the derivatives markets, where Nokia has climbed among the most traded equity options on Eurex, HEX's derivatives partner. In 2002, Nokia was the most traded equity option on Eurex.

HEX market has attracted an increasing number of intermediaries. The number of cash market trading members had increased to 45 at the end of May 2003 and the number of derivatives trading members was 21 at the end of May 2003. Of the current 45 cash trading members 29 operate from abroad. Interest in the market information produced and provided by HEX has continued to grow, with the number of vendors reaching 114 by the end of May 2003.

Characteristic of the market situation, there have been no new initial public offerings but there have been local and international mergers, demergers and acquisitions instead. Mainly due to mergers and acquisitions, the number of listed companies has decreased. At the end of May 2003, a total of 163 share series of 145 companies were traded on the Helsinki Exchanges.

Marketplace Tallinn

Economic growth in Estonia has remained strong in recent years, despite the weakening global economy. The acceptance of Estonia to join the European Union and NATO in 2004 has brought more confidence to continuing growth, as did the fact that Moody's has upgraded Estonia's credit rating to class A1, one of the best of the countries in Central and Eastern Europe.

The Estonian securities market has recently been among the most successful in the world in terms of share price development. The TALSE Index, which tracks share price performance on the Tallinn Stock Exchange, reached its four-year high in December 2002 and closed at 242 points at the end of May, up 14 percent from the end of December 2002. The market capitalization of companies listed on the Tallinn Stock Exchange was EUR 2.3 billion at the end of 2002 and EUR 2.6 billion at the end of May 2003. The value of equity trading in 2002 was EUR 260 m.

The increase in the number of institutional long-term investors with a simultaneous decrease in the number of private investors has reduced the number of share trades in the Tallinn Stock Exchange, and the turnover velocity fell to 12 percent in 2002. Retail investors' stronger tendency to invest via professional fund managers (annual fund inflow and number of fund unit holders doubled compared with the previous year) and the emergence of local pension funds indicate a further institutionalization of the market.

Mergers and acquisitions have reduced the number of listed companies to 14 at the end of May 2003. The global slowdown in the listing market is also visible in Tallinn; no new companies were listed during 2002 or at the beginning of 2003.

Trading in Estonian shares was transferred to the HEX trading system in February 2002, which brought four new trading members to HEX Tallinn. There were 13 trading members at the end of May 2003.

Marketplace Riga

The Riga Stock Exchange is the leading marketplace for debt instruments in the Baltic countries, with a total trading volume of EUR 328 m in 2002 compared with EUR 181 m of equity trading. The increasing stability of the economy has made long maturities of bonds more common in the public sector as well as in the private bond markets.

Recent years have been successful for the Latvian economy and the economic stability of the country has been reflected by the upgrade in Moody's credit rating from Baa2 to A2 in 2002. The stable development has gained international recognition and Latvia has been accepted as a member of the EU and NATO starting in 2004. The international alliances are expected to have a continuing positive effect on the national economy.

The RICI Index, which tracks share price performance on Riga Stock Exchange, rose by 27 percent during the year 2002 and a further 64 percent in January – May 2003, closing at 340 points.

At the end of May 2003 the shares of 61 companies were quoted on the Riga Stock Exchange, with a total market value of EUR 0.8 billion. Only 13 of the companies are, however, listed on the Official and Second Lists.

The state pension system is expected to bring new capital to the market. Starting at the beginning of 2003, the voluntary funded pension fund market was opened to private fund companies as well.

INTERNAL CONTROL AND RISK MANAGEMENT

HEX's internal control and risk management methods are intended to ensure efficient and profitable operations, reliable information and compliance with the rules, regulations and operating principles.

The management of HEX regularly assesses the operational risk, defines the required supervisory procedures and monitors their functionality.

In connection with annual strategic planning, the management of HEX conducts a self-assessment of risks and risk management methods. The results are presented to HEX's Board of Directors and necessary actions are taken into account in annual plans. Similar project-specific risk evaluations are conducted in connection with all strategic projects.

The main risk management tools for measurable risks include limits, which are used to restrict the extent of risks. Non-measurable risk management tools include methods that aim to prevent risks from materializing.

Internal auditing evaluates the adequacy, functionality and appropriateness of internal control and risk management methods within HEX. HEX's internal auditing operations are based on international professional standards and internal control frameworks. The internal auditing unit reports to HEX's CEO and Board of Directors.

EMPLOYEES

At the end of May 2003, the number of employees in an active employment relationship was 439, of which 94 percent had permanent employment contracts. The average number of employees in 2002 was 427 (2001: 337). Employee turnover decreased in 2002 to 5.8 percent from the 2001 level (7.3 percent).

The level of education at HEX is high and the average age is low. The average HEX employee is 34.3 years old, holds a university level degree and has been with HEX for 3.9 years. 54 percent of the employees are men, 46 percent women.

An extensive annual work environment survey is used to assess the well-being and job satisfaction of the employees. The result of this survey forms the basis for annual development plans.

HEX employees are encouraged to influence their objectives and job descriptions. Target discussions are held to set targets encouraging good performance at work and to monitor their results. Employees' targets are based on the business targets in the group's planning system.

HEX uses an incentive scheme that covers most HEX employees and is decided upon annually by the Board of Directors of HEX. In 2002 the incentive scheme provided both bonus salaries related to HEX's return on equity and target bonuses related to personal performance. The total bonus salary may, at the most, amount to 30 percent of an employee's base salary. In addition, a warrant program for permanent employees was issued in November 2000. For further information on the warrant program, please see section "HEX – Shares and share capital and shareholder structure – shares and share capital – Warrant program".

AVERAGE NUMBER OF EMPLOYEES

Financial period	**2002**	**2001**	**2000**
Trading	52	56	31
Settlement and Depository	76	68	62
Issuer Services	20	19	16
Securities Services	67	45	15
Information Solutions	32	28	25
Baltic Operations	50	17	0
Corporate Functions	52	51	53
Corporate IT	78	53	48
TOTAL	**427**	**337**	**250**
In Finland	379	320	250
In Estonia	30	17	0
In Latvia	18	0	0

FINANCIAL SUMMARY

Key figures reflecting the group's financial development

Key figures, EUR m	**2002**	**2001**	**2000**	**1999***
Net sales	92.9	92.1	74.8	52.0
Operating profit	27.4	30.0	30.7	16.4
% of net sales	29.5	32.6	41.1	31.5
Profit before extraordinary items	28.6	32.2	32.4	18.9
% of net sales	30.8	35.0	43.3	36.4
Profit after extraordinary items	28.4	32.2	32.3	18.9
% of net sales	30.5	35.0	43.2	36.4
Profit for the year	20.0	22.8	23.0	13.6
% of net sales	21.5	24.8	30.7	26.2
Balance sheet total	111.2	212.9	89.2	65.8
Capital expenditure and investments	13.1	15.3	9.2	7.5
% of net sales	14.1	16.6	12.4	14.4
Return on equity, %	24.6	31.6	39.9	29.3
Return on capital employed, %	35.4	44.9	56.5	40.9
Equity/assets ratio, %	77.1	70.9	73.8	83.2
Net debt/equity ratio, %	-72.2	-87.1	-74.5	-75.9
Financial cost of liabilities	-	-	-	-
Interest-bearing liabilities	-	-	-	-
Interest-free liabilities	25.9	122.8	14.5	16.1
Short-term investments, cash in hand and at banks	61.7	68.5	49.0	37.6
Average number of employees	427	337	250	198

Per share figures

Per share figures and shares	**2002**	**2001**	**2000**	**1999***
Earnings/share, EUR	1.48	1.70	1.71	1.01
Cash flow/share, EUR	1.42	3.27	2.03	1.43
Equity/share, EUR	6.26	5.78	4.88	3.68
Dividend/share, EUR	1.00	1.00	0.80	0.50
Dividend/earnings, %	67.6	58.8	46.8	49.5
Number of shares	13 471 728	13 471 728	13 471 728	13 471 728

* 1998 figures have not been included, as the data for 1999 and 1998 are not comparable. In the 1998 consolidated profit and loss statement, Finnish Central Securities Depository Limited (APK) was left unconsolidated and HEX Securities Services Ltd Oy was only consolidated for the period of 1 June – 31 December 1998.

Definitions

- *Return on equity*

  Income before extraordinary items less taxes for the period as a percentage of average shareholders' equity and minority interest.
- *Return on capital employed*

  Income before extraordinary items plus financial expenses for the period as a percentage of average capital employed. Capital employed is defined as balance sheet total less non-interest-bearing liabilities.
- *Equity/assets ratio*

  Shareholders' equity and minority interest as a percentage of total assets less advances received.
- *Net debt/equity ratio*

  Interest-bearing net debt as a percentage of shareholders' equity and minority interest.
- *Earnings/share*

  Income before extraordinary items less taxes adjusted by minority interest divided by average number of shares, adjusted for share issues.
- *Cash flow/share*

  Cash flow from operations divided by average number of shares, adjusted for share issues.
- *Equity/share*

  Shareholders' equity divided by the number of outstanding shares on the balance sheet date, adjusted for share issues.

- *Dividend/share*
  Total dividend distribution divided by the number of outstanding shares on the balance sheet date, adjusted for share issues.
- *Dividend/earnings as a percentage*
  Dividend per share divided by earnings per share.

Comments on the financial development – Summary of the Board of Directors' reports for the financial periods 2002, 2001, 2000 and 1999

Financial performance in 2002

HEX's business developed well with regard to the market situation. HEX's outsourcing services providers Securities Services and Information Solutions' turnover increased by 62 percent and the turnover of Baltic Operations' increased by 240 percent. HEX maintained its strong international competitive position in stock trading, and the market share in global Nokia equity trading grew from 49 percent to 58 percent.

The turnover increased by 0.9 percent to EUR 92.9 m (2001: EUR 92.1 m), with costs rising to EUR 65.5 m (EUR 62.0 m). The increase in costs was due to investments in the quality and reliability of the transaction business, as well as new products and services. The largest increase was in personnel expenses, which amounted to EUR 26.7 m (EUR 24.1 m).

The operating profit decreased by 8.7 percent to EUR 27.4 m (EUR 30.0 m). The operating profit corresponded to 29.5 percent of net sales (32.6 percent). The financial income decreased to EUR 1.2 m (EUR 2.2 m) due to a decrease in the value of equity-based mutual funds. The financial income in the comparable period in 2001 was affected by a profit gained from a matured bond.

The profit before extraordinary items and taxes amounted to EUR 28.6 m (EUR 32.2 m), 11.3 percent down from the previous year. The net profit for the financial period equaled EUR 20.0 m (EUR 22.8 m).

Earnings per share was EUR 1.48 (EUR 1.70), while equity per share grew by 8.3 percent to EUR 6.26 (EUR 5.78).

Capital expenditure totaling EUR 13.1 m (EUR 15.3 m) was channeled mainly into information technology.

At the end of 2002, HEX employed 449 persons in an active employment relationship. The average number of employees during the year was 427.

Financial performance in 2001

The HEX group performed well despite the tightened market situation. The good result was supported by continually active equity trading, a steady demand for Finnish derivative products on Eurex and the increasing demand for electronic market information. Costs rose driven by strong growth in business operations, preparations for an increased demand for capacity, and investments in new business activities.

The group's turnover was EUR 92.1 m (2000: EUR 74.8 m) and the operating profit was EUR 30.0 m (EUR 30.7 m). The profit before extraordinary items and taxes amounted to EUR 32.2 m (EUR 32.4 m) and the profit for the financial period equaled EUR 22.8 m (EUR 23.0 m). Earnings per share was EUR 1.70 (EUR 1.71).

In May, HEX acquired a majority of the shares of the Estonian Tallinn Stock Exchange Group. The Tallinn Stock Exchange Group forms part of HEX's Baltic Operations business unit. Possible co-operation was discussed with the stock exchanges of Riga and Vilnius.

In September, HEX made an acquisition significant for the group's outsourcing services by acquiring 95 percent of the shares of Sampo Custody Services Ltd from Sampo Bank plc. The acquired company was renamed HEX Back Office and Custody Services Ltd and it forms part of the Securities Services business unit.

Despite the negative market situation, HEX was able to strengthen its international competitive position in equity trading. The continuing good result was supported by a good demand for Finnish derivatives products on Eurex and the increasing demand for electronic market information.

Turnover increased by 23.1 percent to EUR 92.1 m (EUR 74.8 m), with growth slowing in the third quarter. Costs rose to EUR 62.0 m (EUR 44.0 m), driven by sustained business operations, preparations for an increased demand for capacity and investments in new business activities. The largest increases were experienced in personnel expenses, which amounted to EUR 24.1 m (EUR 14.8 m), and other operating costs, which totaled EUR 30.2 m (EUR 22.9 m).

The operating profit decreased by 2.3 percent to EUR 30.0 m (EUR 30.7 m). The operating profit corresponded to 32.6 percent of the turnover (41.1 percent). The financial income increased to EUR 2.2 m (EUR 1.6 m).

The profit before extraordinary items and taxes amounted to EUR 32.2 m (EUR 32.4 m), 0.5 percent down from the previous year. The net profit equaled EUR 22.8 m (EUR 23.0 m).

Earnings per share amounted to EUR 1.70 (EUR 1.71), while equity per share grew by 18.4 percent to EUR 5.78 (EUR 4.88).

Capital expenditure totaling EUR 15.3 m (EUR 9.2 m) was channeled mainly into computer hardware and software, as well as office premises. Capital expenditure included the acquisitions of the Tallinn Stock Exchange and Sampo Custody Services.

At the end of 2001, HEX had 397 employees in an active employment relationship. The average number of employees during the year was 337.

Financial performance in 2000

The revenues of the HEX group increased by 43.8 percent and totaled EUR 74.8 m (1999: EUR 52.0 m). The expenses were EUR 44.0 m (EUR 35.6 m). The operating profit of the group was EUR 30.7 m (EUR 16.4 m) showing an increase of 87.9 percent over the previous year. The profit for the financial period before extraordinary items and taxes amounted to EUR 32.4 m (EUR 18.9 m) and profit was EUR 23.0 m (EUR 13.6 m). Earnings per share was EUR 1.71 (EUR 1.01). Capital expenditure totaling EUR 9.2 m (EUR 7.5 m) was invested in computer software and hardware as well as office premises.

The favorable development was mainly due to a significant growth in equity trading volumes from companies of interest, an increased number of members and new listings.

In extraordinary income, value-added tax was included that may be returned to HEX following the decision of the Supreme Administrative Court from 18 January 2001. In the decision, the Court ruled that HEX is not VAT-liable for its income from and expenses for securities trading and clearing. Due to the uncertainty involved in the further processing of the extraordinary items, a corresponding sum was recorded as a provision in extraordinary costs to burden the results.

At the end of 2000, the HEX group employed 290 persons and on average 250 persons during the year. At the end of the previous year, the number of employees was 224 and the average during the year was 198.

Financial performance in 1999

The revenues of the HEX group for 1999 totaled EUR 52.0 m (1998: EUR 23.9 m), expenses amounted to EUR 35.6 m (EUR 14.3 m) and accounting period profit after taxes was EUR 13.6 m (EUR 8.8 m).

Of the revenues, EUR 16.6 m (EUR 3.9 m) came from issuer services, EUR 13.4 m (EUR 5.4 m) from equities trading and clearing and EUR 8 m (EUR 10.4 m) from derivatives trading and clearing. The other EUR 14.0 m (EUR 4.2 m) came from money market services, registry, and information services as well as other sources.

Of the capital expenditure totaling EUR 7.5 m (EUR 4.1 m), a major part, EUR 5.1 m, consisted of infrastructure investments in the book-entry securities system. Other investments were made in office premises, other computer software and hardware and the data network.

The data for 1999 and 1998 are not comparable. In 1998, consolidated profit and loss account, Finnish Central Securities Depository Ltd (APK) is not included. APK was acquired ten days prior to the end of the financial year. HEX Securities Services Ltd Oy was consolidated for the period of 1 June to 31 December 1998.

At the end of the year, HEX employed 224 persons, with an average of 198 employees during the reporting period.

Investments and financing

HEX's total assets were EUR 111 m at the year-end 2002. HEX's equity/assets ratio increased to 77.0 percent (2001: 71.0 percent) in 2002. Short-term investments, cash in hand and at banks totaled EUR 61.7 m (2001: EUR 68.5 m).

Net capital expenditure

Total capital expenditure (EUR 1 000)	**2002**	**2001**	**2000**	**1999**
Intangible assets				
Intangible rights (IT licenses)	1 054	2 629	1 931	-226
Goodwill	192	2 603	0	0
IT development and other capitalized expenditure	6 666	4 498	2 452	5 731
Tangible assets				
Equipment	4 519	5 056	3 808	1 476
Shares and partnerships	111	-376	975	-97
Total	**12 542**	**14 410**	**9 166**	**6 884**

The net capital expenditure in IT development and other capitalized expenditure has included two major projects. The creation of the Centralized Book-Entry Register was carried out during 1999 and 2000. The development project of the new clearing and settlement system, HEXClear, was initiated in 2001. The development project is estimated to be finalized at the end of 2003.

Investment in equipment consists mainly of investments in IT and office equipment.

Investments in group companies

2002
HEX purchased 93.0 percent of the Riga Stock Exchange, which in turn holds the entire share capital of the Latvian Central Depository. The Riga Stock Exchange Group forms a part of HEX's Baltic Operations business unit.

2001
HEX acquired 61.6 percent of Tallinn Stock Exchange, which in turn holds the entire share capital of the Estonian CSD. Tallinn Stock Exchange Group forms a part of HEX's Baltic Operations business unit.

HEX acquired 95.0 percent of the shares of Sampo Custody Services Ltd from Sampo Bank plc. The acquired company was renamed HEX Back Office and Custody Services Ltd and it forms part of HEX's Securities Services business unit.

HEX sold a minority holding in Sonera Plaza Rahastopalvelut Oy to Sonera Plaza Oy.

2000
HEX made no significant investments in group companies during 2000.

Ongoing investments

In recent years, IT development in HEX's settlement and depository operations have been focused on developing a new clearing and settlement system, HEXClear. The RTGS-based (real-time gross settlement) HEXClear will replace the current clearing and settlement systems starting at the end of 2003.

In 2002 and 2003, the focal point of trading system development has been the construction of a new trading interface. Starting in August 2003, the new interface will gradually replace both of the currently used trading interfaces.

Capital expenditures and investments have been financed through operative cash flow.

As of the date of this Prospectus, neither HEX's Board of Directors nor the management of HEX have made decisions regarding any significant investments to be carried out in the future.

Sensitivity analysis

HEX's profit and profit fluctuations are, on a short-term basis, dependent on the development of revenues since most of the overall costs are fixed costs. Therefore, in the following sensitivity analysis, the sensitivity of profits has been analyzed solely through the sensitivity of revenues.

The revenue of HEX derives from the operations of its business units. In 2002, there were six business units: Trading, Settlement and Depository, Issuer Services, Securities Services, Information Solutions (eHEX) and Baltic Operations.

HEX's main sources of revenue, listed in order of importance, are Trading revenue, Settlement and Depository revenue, Issuer Services revenue and Securities Services revenue.

Trading revenue
During 2002, 50.0 percent of HEX's turnover derived from Trading revenue. Trading revenue, listed in order of importance, consists of equity trading revenue, derivatives trading revenue, information sales revenue and other income. Trading revenue is sensitive to various factors. For equity trading revenue the two most important parameters are the value of equity trading and the number of equity transactions. For derivatives trading revenue the most important parameter is the number of traded contracts on Eurex and HEX. HEX sells trading information to Finnish and international customers who sell and disseminate this information to a large number of end-users. The information sales revenue is dependent on the number of information disseminators and end-users.

Settlement and Depository revenue
During 2002, 18.8 percent of HEX's turnover derived from Settlement and Depository revenue. Settlement and Depository revenue, listed in order of importance, consists of equity settlement and depository revenue, money market clearing and settlement revenue, equity clearing revenue and other income. Equity settlement and depository revenue is mainly dependent on the value of assets held in custody, the number of centralized book-entry accounts and account types. Money market clearing and settlement revenue is primarily dependent on the value of money market instruments held in custody. Equity clearing revenue is primarily dependent on the number of settlement transactions.

Issuer Services' revenue
During 2002, 17.8 percent of HEX's turnover derived from Issuer Services revenue. Issuer Services' revenue, listed in order of importance, consists of fees from ownership information maintenance and information sales, annual fees from listed companies and fees from other services offered to listed companies. The revenue derived from Issuer Services' operations is mainly dependent on the number of listed companies, the number of book-entry account types in the shareholders' register and the market capitalization of listed companies.

Securities Services revenue
During 2002, 12.7 percent of HEX's turnover derived from Securities Services revenue. The revenue derived from Securities Services' operations is mainly dependent on the market activity of the customers utilizing the services and the activity of their end-customers, their number and the value of assets held in custody.

Other revenue
Other revenue primarily includes revenue from Baltic Operations and Information Solutions (eHEX).

Events subsequent to the interim report

On 20 May 2003, HEX and OM announced the combination described in this Prospectus. The Board of Directors of HEX has on 20 May 2003 resolved to recommend that the shareholders of HEX accept the Exchange Offer and on 16 June 2003 to recommend that the holders of HEX Warrants accept the Warrant Offer. Please see section "The Offer – Other matters relating to the Offer – Recommendations and support – Recommendations from the Board of Directors of HEX".

Jouni Torasvirta was appointed as Acting Managing Director of Helsinki Exchanges, a subsidiary of HEX Plc, as of 27 May 2003.

On 4 June 2003, HEX announced the commencement of the co-operation procedure in its IT Development unit operating under Corporate IT. It is estimated that, as a result of these actions, the personnel of the unit will decrease by 8 – 15 persons. The reorganization of these operations is not connected to the combination set forth in this Prospectus.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

In accordance with the Finnish Companies Act and the company's Articles of Association, corporate governance and administration are divided among the General Meetings of Shareholders, the Board of Directors and the President. Listed below are the members of the company's Board of Directors and Executive Management as well as their positions and year of appointment.

Board of Directors

The Annual General Meeting of Shareholders elects a minimum of six and a maximum of nine members of the Board of Directors for a one-year term. The term of office begins and ends following the election carried out by the Annual General Meeting of Shareholders. The Board of Directors elects a Chairman and Vice Chairman from among its members.

The Board of Directors deals with administration and the appropriate organization of operations, and also makes decisions on the basis of proposals by the CEO concerning matters on which the law, rules and regulations, or the authorities, require a decision of the Board of Directors. In addition, the Board of Directors makes decisions on the group's strategy and structure, the basis for control systems, employee incentive pay schemes and other significant matters, such as substantial agreements and financing arrangements.

The Board of Directors elects the group's CEO and Deputy CEO, and appoints the group's Executive Board. The Board of Directors has not established any committees.

The Board of Directors normally convenes once a month. In 2002, the Board of Directors convened 16 times.

Eight members of the Board of Directors were elected by the Annual General Meeting of Shareholders held on 21 March 2003:

Name	Year of birth	Member of the Board of Directors since	Position in the Board of Directors
Tarmo Korpela	1942	1986	Chairman
Timo Ritakallio	1962	1995	Vice Chairman
Satu Huber	1958	2000	Member
Timo Ihamuotila	1966	2003	Member
Hannu Karppinen	1945	2000	Member
Sonja Lohse	1956	2002	Member
Martti Porkka	1951	2000	Member
Esko Torsti	1964	2002	Member

The business address of the members of the Board of Directors is HEX Plc, Fabianinkatu 14, 00130 Helsinki.

Tarmo Korpela, Chairman of the Board
Born in 1942. Member of the Board since 1986.[1] Confederation of Finnish Industry and Employers; Director General 17 January 2003 – 31 July 2003. Confederation of Finnish Industry and Employers; Deputy Director General since 1993. Conferederation of Finnish Industries; Deputy Director General 1985 – 1992. Finnvera Oyj; Member of the Board since 2003, Member of the Supervisory Board 1998 – 2003. Fide Oy; Member of the Board since 2003. OKR-Issuers Co-operative; Chairman of the Board.

Timo Ritakallio, Vice Chairman of the Board
Born in 1962. Member of the Board since 1995.[1] OKO Bank; First Executive Vice President and Member of the Executive Board, Corporate Banking and Group Treasury, OKO-Venture Capital Ltd; Chairman. OP-Kotipankki Oyj; Member of the Board, SSH Communications Security Corp.

Satu Huber, Member
Born in 1958. Member of the Board since 2000. State Treasury; Director of Finance and Head of Finance Division. National Board of Economic Defence, Member 2000 – 2004. Association for the Finnish Cultural Foundation, Member of the Board. Finnish Industry Investment Ltd, Member of the Board. Swedish School of Economics and Business Administration, Deputy member of the Board.

Timo Ihamuotila, Member
Born in 1966. Member of the Board since 2003. Nokia Corporation, Group Treasury, Vice President Finance, Corporate Treasurer. Nokia Pension Foundation, Chairman. Tech20 Treasurers' Group, Member.

[1] Including the predecessor companies of HEX Plc.

Hannu Karppinen, Member
Born in 1945. Member of the Board since 2000. Bank of Finland; Legal Counsel, Deputy Chief Legal Counsel 2000-2001, Legal Affairs Unit. Member of and Secretary to several Ministry of Finance working groups dealing with legislation. Member of several Finnish delegations in the Foreign Ministry's sector. Member of the Independent Panel on an Intra-European System of Central Banks-Dispute Settlement Procedure. Deputy Secretary to the Parliamentary Supervisory Council. The Association of Legal Counsel for the Finnish Banking Sector, Chairman of the Board 2001-2002, Member of the Board since 2002.

Sonja Lohse, Member
Born in 1956. Member of the Board since 2002. Nordea AB, Group Compliance Officer. Member of the Securities Committee of the Finnish Bankers' Association. Member of the Market Participants Consultative Panel (CESR). Member of the Issue Group of the Banking Federation of the European Union.

Martti Porkka, Member
Born in 1951. Member of the Board since 2000. Sampo Plc, Head of Group Treasury and Funding.

Esko Torsti, Member
Born in 1964. Member of the Board since 2002. Pohjola, Chief Investment Officer. Conventum Capital Limited; Chairman of the Board. Tanneton Oy, Member of the Board.

President and CEO and Executive Board

The President and CEO is in charge of the group's day-to-day administration, in line with the strategy approved by the Board of Directors and with the goal of achieving the operational and financial targets set by the Board of Directors.

The Executive Board is subordinate to the CEO and responsible for preparing and monitoring strategic policies, preparing and monitoring strategic projects, allocating resources, and supervising key operations and significant operative decisions, as well as dealing with matters related to the preparations and arrangements for meetings of the Board of Directors.

Jukka Ruuska
President and CEO
Born in 1961, LL.M., MBA. Member of the Executive Board since 2000. With HEX since 2000.

Heikki Sirve
Executive Vice President, Operations Business Unit, IT Services
Born in 1953, LL.M. Member of the Executive Board since 1997. Deputy to the CEO since 2000. With HEX since 1997. Managing Director of APK since 1999.

Liisa Jauri
Executive Vice President, Corporate Planning, Human Resources and Legal Affairs
Born in 1961, LL.M. Member of the Executive Board since 1987. With HEX since 1987.

Teuvo Rossi
Executive Vice President and CFO, Finance, Corporate Communications and Administration
Born in 1950, M.Sc. (Econ.). Member of the Executive Board since 2001. With HEX since 2001.

Veli Matti Salmenkylä
Executive Vice President, Securities Services Business Unit
Born in 1960, M.Sc. (Eng.). Member of the Executive Board since 2001. With HEX since 1995.

Jouni Torasvirta
Executive Vice President, Marketplace Business Unit
Born in 1965, M.Sc. (Econ.). Member of the Executive Board since 1995. With HEX since 1989. Acting Managing Director of Helsinki Exchanges since May 2003.

Board and Executive Board Secretary
Jaakko Raulo
Senior Vice President
Born in 1957, LL.M. Board and Executive Board Secretary since 2000. With HEX since 1987.

Remuneration

The Annual General Meeting of Shareholders decides on the compensation paid to the Chairman, Vice Chairman and Members of the Board each year. According to the resolutions of the Annual General Meetings of Shareholders held on 22 March 2002 and 21 March 2003, the Chairman of the Board receives EUR 1,600 per month, the Vice Chairman receives EUR 1,265 per month and each Member of the Board receives EUR 1,095 per month as compensation. In accordance with the resolution of the Annual General Meeting of Shareholders, separate meeting compensation is also paid, amounting to EUR 420 per meeting for the Chairman and EUR 250 per meeting for the Vice Chairman and each member of the Board of Directors.

Neither the CEO of HEX nor any persons employed by HEX receive any additional compensation for acting as a member of the Board or as a Managing Director in a subsidiary.

The Board of Directors determines the salaries and other benefits paid to the CEO of HEX Plc, his deputy and other members of the Executive Board.

The salaries and remuneration paid by HEX Plc and its subsidiaries to the members of the Board of Directors of HEX Plc and to the CEO of HEX Plc for the financial year 2002 totaled about EUR 381,500. Salaries paid by HEX Plc and its subsidiaries to HEX Plc's Executive Board and its secretary (excluding the CEO) for the financial year 2002 totaled EUR 934,000.

Holdings of the Board of Directors and the Executive Board

Members of the Executive Board and its Secretary hold HEX shares and HEX Warrants as follows:

Name	Number of HEX shares	Number of HEX Warrants
Jukka Ruuska	4 000	50 000
Heikki Sirve	2 000	25 000
Liisa Jauri	3 300	20 000
Teuvo Rossi	0	20 000
Veli Matti Salmenkylä	0	20 000
Jouni Torasvirta	1 000	20 000
Jaakko Raulo	900	15 000

At the date of this Prospectus, the members of the Board of Directors of HEX Plc do not hold any HEX shares or warrants or any other securities entitling their holder to subscribe for new HEX shares.

The President and CEO owns a total of 4,000 HEX shares, corresponding to 4,000 votes and approximately 0.03 percent of HEX's shares and votes.

The President and CEO does not hold any other warrants or convertible debentures but an aggregate number of 50,000 HEX Warrants entitling him to subscribe for up to 50,000 new shares in HEX.

The members of the Executive Board, including the President and CEO of HEX, own a total of 11,200 HEX shares, corresponding to 11,200 votes and 0.08 percent of HEX's shares and all votes attached to the shares.

Members of the Executive Board, including the President and CEO, do not hold any other securities entitling their holder to subscribe for new HEX shares, but an aggregate amount of 170,000 HEX Warrants entitling their holders to subscribe for up to 170,000 new shares in HEX according to the terms and conditions of the Warrant program. For further information on the warrant program, please see section "HEX – Shares, Share Capital and Shareholder Structure – Shares and share capital – Warrant program".

Auditors

The audit of the Finnish companies within the HEX group is the responsibility of PricewaterhouseCoopers Oy, with Eero Suomela, Authorized Public Accountant, as the principal auditor and Juha Wahlroos, Authorized Public Accountant, as the second auditor of Finnish Central Securities Depository Ltd. The business address of the auditors is PricewaterhouseCoopers Oy, Itämerentori 2, FIN-00180 Helsinki, Finland.

The auditor for companies within the Tallinn Stock Exchange group is AS PricewaterhouseCoopers. The auditor for companies within the Riga Stock Exchange group is a/s PricewaterhouseCoopers.

Auditors' fees are paid against invoice.

Related party transactions

As of the date of this Prospectus, HEX has not granted any loans, guarantees or collateral for the benefit of the members of the Board of Directors, the Executive Board or its auditors. Since 2000 until the date of this Prospectus, none of the members of the Board of Directors, the Executive Board of HEX or its auditors has either directly or indirectly, through closely held companies or immediate family, engaged in any business transactions with HEX other than on an arm's length basis.

CERTAIN CORPORATE INFORMATION

Company name
The name of the company is HEX Oyj, in English HEX Plc.

Registered office
The registered office of the company is located in Helsinki.

Objects
According to Article 2 of the company's Articles of Association, the purpose of the company is to engage in stock exchange activities and other public trading, as well as other professional trading, option institution activities, central securities depository activities and clearing house activities as well as other securities operations relating to the aforementioned functions.

The purpose of the company is to function as a clearing party, account maintenance association and authorized representative of such associations as well as to offer risk management, securities management and outsourcing services relating to the exchange, clearing and storing of investment objects as well as other securities service functions relating to these functions.

The purpose of the company is to offer data processing, information, data and training services relating to the development of securities, financing and derivatives markets as well as to the exchange and storage of investment objects. Additionally, the company's line of business comprises the planning and production of computer software, refining data relating to the field of financing and related consultation.

The company carries out its operations either directly by itself, through its subsidiaries, partner companies or joint ventures, or in co-operation with other companies engaged in similar operations. In addition, the company functions as the parent company of the group.

Share capital
The minimum share capital of the company is fifteen million (15,000,000) euro and its maximum share capital sixty million (60,000,000) euro, within which limits the share capital may be raised or lowered without amending the Articles of Association. At the date of this Prospectus, the share capital of HEX amounts to EUR 26,943,456 divided into 13,471,728 shares.

Nominal value
The nominal value of the shares is two (2) euro.

Board of Directors
The Board of Directors comprises at least six (6) and at most nine (9) members. The Board of Directors elects a Chairman and a Vice Chairman from among its members.

A person who is 65 years of age or over may not be elected as a member of the Board of Directors.

The term of a member of the Board of Directors is one (1) year. The term of a member of the Board of Directors begins and ends at the close of the Annual General Meeting of Shareholders conducting the election.

Financial year
The financial year of the company has been the calendar year.

At the Extraordinary General Meeting of Shareholders held on 16 June 2003 it was resolved to amend the financial period of HEX to extend from 1 July to 30 June by amending the company's Articles of Association. The previous financial period ended on 30 June 2003 and the current financial period commenced on 1 July 2003.

Other information
HEX is incorporated as a public limited company organized under the laws of Finland.

HEX is registered in the Trade Register maintained by the National Board of Patents and Registration on 29 December 1997 under business identity code 1110552-9.

The Articles of Association in their present form were adopted at an Extraordinary General Meeting of Shareholders on 16 June 2003. The company's shares were incorporated in the Finnish book-entry system (APK) on 29 December 1997. The registered company address is Fabianinkatu 14, 00130 Helsinki.

For further information on the decisions resolved at the Extraordinary General Meeting of Shareholders held on 16 June 2003, please see section: "The Offer – Other matters relating to the Offer – Corporate decisions – HEX".

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Shares and share capital

HEX's shares are book-entry securities in one series with equal rights to dividends. Each share entitles the holder to one vote. The nominal value of the share is two euro, and a total of 13,471,728 shares are outstanding. HEX has a fully paid share capital of EUR 26,943,456.

The number of HEX shares that can be subscribed for using warrants in the warrant program is 1,346,000. The subscription of shares through the warrant program is only possible if the company is publicly listed. Through the warrant program, the share capital of the company may increase by a maximum of EUR 2,692,000[1].

Warrant program

An Extraordinary General Meeting of Shareholders of HEX held on 2 November 2000 approved in deviation from the pre-emptive subscription right of the shareholders a personnel warrant program as part of an employee incentive and commitment program. The Board of Directors decides on the distribution of the HEX Warrants.

Of the HEX Warrants, 350,000 have been marked 'A', 350,000 have been marked 'B', 350,000 have been marked 'C' and 350,000 have been marked 'D'. The 54,000 A Warrants which were in the custody of HEX's subsidiary have been annulled[1].

In the event that the company's shares are not subject to public trading, the subscriber is entitled to compensation determined on the basis of the increase in shareholders' equity as follows:

cumulative net profit after the 2000 financial statements including adopted financial accounts preceding redemption time x 9.4 percent divided by 1,400,000.

Should the company be subject to public trading, each HEX Warrant entitles the holder to subscribe for one share with the nominal value of two euro. The subscription price is lowered after 1 December 2000 and before the share subscription by the amount of dividends on the record date of each dividend distribution. In accordance with the subscription rules of the stock-based incentive scheme for HEX employees, the original subscription price of EUR 12.50 has been reduced to EUR 9.70 on the basis of dividends paid. In the event that the Annual General Meeting of Shareholders of HEX intended to be held in August 2003 resolves to distribute the dividend of EUR 2.20, the subscription price will be reduced to EUR 7.50 (please see section "The Offer – Other matters relating to the Offer – Corporate decisions – HEX").

The subscribed shares entitle holders to a dividend for the financial period during which they have been subscribed. Other rights relating to the shares will become valid upon the registration of the increase in share capital in the Trade Register.

The subscription period of the A Warrants began on 1 November 2002, the subscription period of the B Warrants begins on 1 November 2003, the subscription period of the C Warrants on 1 November 2004 and of the D Warrants on 1 November 2005. The subscription period for all Warrants ends on 30 November 2007.

If, prior to the termination of the subscription period of the Warrants, a situation described in Chapter 14, section 19 of the Companies Act arises where a party holds more than 90 percent of the shares of HEX and thus has the right and obligation to redeem the shares held by the other shareholders, the holders of HEX Warrants shall be reserved a possibility to exercise their subscription rights within a period of time set by the Board of Directors.

A shareholder who holds over two-thirds (2/3) of the votes or the shares of the company shall be obliged to offer to redeem the HEX Warrants at a market price after the commencement of the subscription period. The market price of a HEX Warrant shall be deemed to be the average price paid for the shares of the company by the shareholder with the redemption obligation during the twelve (12) months preceding the beginning of the duty to redeem weighted with the volume of trade less the subscription price of the share. If the share of the Company is subject to public trade, the provisions of the Securities Markets Act shall be applied instead.

A financial benefit based on an employment relationship is taxable income for the beneficiary, which, according to the Act on Prepayment of Tax, is comparable to salary for which the employer is obliged to render withholding tax and social security fees.

For the complete terms of the HEX warrant program, please see: "Appendix B – Financial Information – HEX – Terms and conditions of the HEX Warrants". For further information on the treatment of the HEX Warrants in the Offer, please see sections: "The Offer – Terms and conditions of the Offer" and "Taxation".

[1] In June 2003, additional 2,200 A warrants which were in the custody of HEX's subsidiary have been anulled.

Amendments in the share capital

The Extraordinary General Meeting of Shareholders of HEX on 2 November 2000 resolved to convert the share capital into euro. Simultaneously with the conversion into euro, the share capital of the company was raised by means of a bonus issue of EUR 4,285,636.02 from the then current amount of EUR 22,657,819.98 to EUR 26,943,456. The method of raising the share capital was to raise the nominal value of one corporate share to two euro. This required no payment by shareholders.

Board authorizations

The Board of Directors has no current authorization to issue any stock, convertible bonds or option rights, or any authorization to purchase or transfer any of the company's own stock.

Option rights, bond loans with warrants, convertible bonds and subordinated loans

Apart from the personnel warrant program set out above in section "HEX – Shares, share capital and shareholder structure – Shares and share capital – Warrant program", HEX has not issued option rights, bond loans with warrants, convertible bonds or subordinated loans.

Shareholders

At the end of May 2003, HEX had 206 shareholders. The ten major shareholders and shareholder groups held 78.5 percent of the share capital. A total of 18 percent of the shares were nominee registered. According to information published by OM, OM owns nominee registered shares that correspond to an approximate holding of 15.6 percent of the company.

DISTRIBUTION OF SHARE CAPITAL ON 30 MAY 2003

Shares/shareholder	Number of shareholders	Percentage of shareholders	Number of shares and votes*	Percentage of shares and votes
1 – 100	25	12.2	1 184	0.0
101 – 1 000	66	32.0	33 127	0.2
1 001 – 10 000	39	18.9	135 280	1.0
10 001 – 50 000	50	24.3	1 240 800	9.2
50 001 – 100 000	7	3.4	702 182	5.2
over 100 000	14	6.8	8 939 038	66.4
Nominee registered	5	2.4	2 420 117	18.0
Total	**206**	**100.0**	**13 471 728**	**100.0**

* Please note the voting restriction described in section "HEX – Shareholders' rights – Voting restrictions".

DISTRIBUTION OF SHARE CAPITAL BY TYPE OF SHAREHOLDER ON 30 MAY 2003

	Number of shareholders	Percentage of shareholders	Number of shares and votes	Percentage of shares and votes
Corporations	80	38.83	2 466 959	18.31
Banks and insurance companies	16	7.76	6 283 149	46.64
Public corporations	3	1.46	1 248 432	9.27
Non-profit corporations	9	4.37	949 682	7.05
Households	93	45.15	103 389	0.77
Nominee registered	5	2.43	2 420 117	17.96
Total	**206**	**100.00**	**13 471 728**	**100.00**

* Please note the voting restriction described in section "HEX – Shareholders' rights – Voting restrictions".

TEN MAJOR SHAREHOLDER GROUPS ON 30 MAY 2003

		Number of shares and votes**	Total number of shares and votes**	Percentage of shares and votes**
1.	**OM***		2 103 717	15.6
2.	**Sampo Group**		1 570 730	11.7
	Sampo Credit Plc	876 499		6.5
	Sampo Plc	694 231		5.2
3.	**Nordea Bank Finland Plc**		1 502 823	11.2
4.	**OKO Group**		1 192 876	8.9
	OKO Osuuspankkien Keskuspankki Oyj	1 095 276		8.1
	Opstock Ltd	97 600		0.7
5.	**Bank of Finland**		948 200	7.0
6.	**OKR-Issuers Co-operative**		930 960	6.9
7.	**Evli Bank Plc**		825 656	6.1
8.	**State of Finland/Ministry of Finance**		603 400	4.5
9.	**Pohjola Group Plc**		499 031	3.7
10.	**Ilmarinen Mutual Pension Insurance Company**		395 516	2.9
	Total		**10 572 909**	**78.5**

* As reported by OM.
** Please note the voting restriction described in section "HEX – Shareholders' rights – Voting restrictions".

Shareholders' agreements

The Finnish State, the Bank of Finland, OKR-Issuers Co-operative, Nordea Bank Finland Plc, the OKO Group, the Sampo Group and Aktia Savings Bank Plc signed a shareholders' agreement on 25 February 2002, replacing a previous shareholders' agreement signed on 8 December 1998. The current shareholders' agreement expired for OKR-Issuers Co-operative on 31 October 2002.

In the shareholders' agreement the parties agreed, among other things, on a priority right pertaining to the purchase of their shares in the group. The objective of the parties is to promote the continuous development and international competitiveness of Marketplace Helsinki.

The total number of shares held by the parties to the shareholders' agreement is 5,966,359, representing approximately 44.3 percent of all the votes attached to the shares of the company.

The parties to the shareholders' agreement have on 26 June 2003 signed an agreement concerning the termination of the shareholders' agreement in certain situations. According to this agreement, the shareholders' agreement will terminate upon OM AB accepting the exchange of HEX Plc's shares in a manner whereby such acceptance will result in the transfer of ownership to OM AB of all shares of HEX Plc held by the parties to the shareholders' agreement having accepted the Exchange Offer. Furthermore, according to the agreement, the parties to the shareholders' agreement may take all necessary action required in order to accept the Exchange Offer and, in relation thereto, to transfer the ownership of shares in HEX Plc to OM AB.

SHAREHOLDERS' RIGHTS

Ownership control

HEX is subject to a so-called shareholder control governed by the SMA (Chapter 3, Section 2d – 2e and Chapter 4a, Section 3a – 3b), the Act on Trading in Standardized Options and Futures (Chapter 2, Section 3a) and the Act on Book-Entry System (Chapter 3, Section 12b). A shareholder intending to increase or decrease his or her holdings past specified limits alone or jointly with other parties identified in the Securities Market Act must notify the Finnish Financial Supervision Authority ("**FFSA**") well in advance. The limits triggering the duty to declare are five, ten, twenty and fifty percent, as well as one-third of the share capital or voting rights.

The FFSA may within three months from the receipt of the notification object to the acquisition of a holding if it is likely, based on the information obtained by the FFSA on the reliability, good reputation, experience and other suitability of the proposed acquirer or otherwise that the holding would endanger the sound and prudent business principles of the stock exchange. If the holding has been obtained despite the opposition of FFSA or if the duty to declare has been neglected, FFSA may deny the use of the voting rights from being exercised in the Group.

For further information on the ownership control procedure in connection with the Offer, please see section: "OM HEX – Regulatory matters".

Voting restrictions

Both the Articles of Association of HEX, the SMA and the Act on Trading in Standardized Options and Futures include provisions restricting the use of voting rights of HEX shares in General Meetings of Shareholders of the company.

According to the voting restriction set out in paragraph 13 of the Articles of Association of HEX[1], at a General Meeting of the Shareholders of HEX, no one may vote more than one twentieth of the number of votes represented at the Meeting. When calculating the proportion of votes, the number of votes of a shareholder includes also any votes with which the shareholder may use, on his/her own or jointly with a third party, to decide under a contract he/she has concluded or otherwise, and, *inter alia*, any votes attached to shares belonging to an organization that under the Finnish Companies Act belongs to the same Group as the shareholder, pension foundations or pension funds of the shareholder and certain other related parties.

In addition, according to the SMA (Chapter 3, Section 8 and Chapter 4a, Section 6) and the Act on Trading in Standardized Options and Futures (Chapter 2, Section 7), no one is entitled to use more than five percent of the votes represented at the General Meeting of Shareholders of HEX. Calculation of a shareholder's votes takes into consideration, among other things, the companies belonging to the same Group and their pension funds. This voting restriction shall also be applied in a General Meeting of Shareholders of an entity having control as referred to in the Securities Markets Act, Chapter 1, Section 5 in HEX, in a Finnish stock exchange, in a Finnish clearing organization or in a Finnish option corporation.

In addition, if the validity of a resolution of the General Meeting of Shareholders depends on a qualified majority of the votes in favor of the decision, the qualified majority is calculated in accordance with the above provision of the SMA.

The FFSA has on 30 April 2003 given a statement regarding the interpretation of the above voting restriction in relation to foreign companies. More information on the statement is provided in section "OM HEX – Supervision – Ownership control".

[1] Paragraph 13 of the Articles of Association:

13 § Voting limitation

At a General Meeting of the Shareholders, no one may vote with more than one twentieth (1/20) of the number of votes represented at the meeting. When calculating the proportion of votes referred to herein, the number of votes of a shareholder shall include also any votes on the use of which the shareholder may, on his own or jointly with a third party, decide under a contract he has concluded or otherwise, as well as any votes attached to shares belonging to:

1. an organization that, under the Limited Companies Act, belongs to the same Group as the shareholder;
2. a company that, under the provisions of the Bookkeeping Act pertaining to Consolidated Financial Statements, is deemed to belong to the same Group as the shareholder;
3. pension foundations or pension funds of the shareholder as well as of the organizations or companies referred to above;
4. any other organization or company than a Finnish organization or company which, if it were Finnish, would, in the manner referred to above, belong to the same Group as the shareholder; and to
5. any natural person or another legal person than one referred to above who, if it were an organization or a company referred to above, would, in the manner referred to above, belong to the same Group as the shareholder.

OTHER INFORMATION

Significant agreements

In derivative trading HEX has a co-operation agreement dated 16 April 1999 with the leading derivatives exchange Eurex and its affiliated companies. Under the agreement, derivative contracts based on Finnish and other Nordic or Baltic securities can be listed for trading on Eurex. At the moment there are derivative contracts based on six Finnish equities and two indices subject for trading on Eurex, of which the financially most important are the derivative contracts based on the shares of Nokia Corporation. The Eurex agreement restricts the right of HEX to list the derivative contracts governed by the Eurex agreement.

On the basis of the agreement, HEX receives revenue, *inter alia*, from the trading of the derivative contracts on Eurex governed by the agreement. These revenues constitute at present a significant part of the turnover of the Trading business unit.

According to the agreement, Eurex has the right to decide on the pricing levels, on which the revenue of Eurex itself and of HEX is based in accordance with the jointly agreed principles and procedures. The agreement is valid until further notice. Eurex has the right to terminate the agreement with 24 months' notice after 31 December 2005. HEX has the right to terminate the agreement with six months' notice. The agreement also includes provisions on the trading of the products governed by the agreement in Eurex after the termination of the agreement. The agreement is governed by German law.

In addition, HEX has several information technology service and license agreements with different service providers that are important for the current business operations of HEX. In its business operations, HEX uses third party licenses and other intellectual property rights owned by third parties in accordance with the respective agreements concerning their use.

Real property and principal places of operations

HEX does not own any real property. All office premises are leased. HEX's operations are situated in Helsinki, Tallinn and Riga, where HEX leases 11,650 m^2, 530 m^2 and 550 m^2 of office space, respectively.

Significant shareholdings and investments

The following group companies account for at least ten percent of the equity or result of HEX. For further information on the group companies of HEX, please see section "Appendix B – Financial Information – HEX – Notes to balance sheet – Note 10".

GROUP COMPANIES ON 31 DECEMBER 2002

	Group ownership share %	Parent company ownership share %	Share capital EUR 1000	Turnover EUR 1000	Profit/loss before extraordinary items EUR 1000
Helsinki Securities and Derivatives Exchange, Clearing House Ltd, Helsinki	100	100	17 600	50 964	33 335
Finnish Central Securities Depository Ltd, Helsinki	100	100	7 560	31 219	6 394
HEX Securities Services Ltd Oy, Helsinki	100	100	1 681	6 808	-3 248
HEX Securities Technology Ltd Oy, Helsinki	100	100	150	1 491	-3 961
HEX Back Office and Custody Services Ltd, Helsinki	95	-	8 300	3 563	-1 019

Pension schemes

Pension payments and benefits of HEX are based on applicable employment and pension legislation. The HEX group has arranged pension insurance coverage through an insurance company for its Finnish personnel. The company does not have any significant additional pension arrangements.

Insurance

HEX has insurance coverage that is intended to correspond with the risks arising from HEX's operations. In addition to the insurance policies relating to employment practices, employers liability, property, health care and other insurance customary for a company operating in the field of finance in Finland, HEX has an annually tailored financial loss and liability insurance policy including crime and professional indemnity coverage as well as a separate insurance policy covering management's liability. The limit of the financial loss and liability policy is currently EUR 70 m. In connection with a decision of 12 December 2001 to approve the dissolution of an earlier loss-sharing arrangement between certain former shareholders of APK, the Ministry of Finance has emphasized the importance of upholding the insured amount at the current level.

Intellectual property rights

In its business operations, HEX uses third party licenses and other intellectual property rights owned by third parties in accordance with respective agreements concerning their use.

HEX holds certain intellectual property rights such as registered trademarks and domain names as well as copyrights for software related to its business operations.

Legal disputes

HEX has two appeals pending in the Supreme Administrative Court of Finland both of which concern the market position of HEX in certain of its business operations. HEX's appeals concern rulings by the Market Court dismissing HEX's earlier appeals that HEX filed against two decisions by the Finnish Competition Authority. In these decisions the Authority ruled that HEX has a dominant market position in certain of its business operations. Furthermore, the Finnish Competition Authority has an investigation pending relating to certain services that APK provides to Finnish companies. Decisions made by the authorities in the above matters may, among other things, have an impact on the possibility of HEX to respond to the pricing of its competitors.

HEX has appealed against an advance ruling by the Central Tax Board concerning VAT payable for certain registration services of HEX Securities Services relating to clearing and settlement.

The Estonian CSD has litigation pending at the Tallinn City Court. The Estonian CSD has been summoned as the respondent in a case concerning the correction of a registration entry in a company incorporated in the Estonian register system.

AUTHORIZATIONS, SUPERVISION AND REGULATORY FRAMEWORK

Authorizations and supervision

Finland

Helsinki Securities and Derivatives Exchange, Clearing House Ltd
Helsinki Securities and Derivatives Exchange, Clearing House Ltd operates in the areas of stock exchange, option corporation and clearing of options transactions based on a license granted by the Ministry of Finance. Helsinki Exchanges arranges public trading of securities on the Main List, I List, NM List, Pre-List and on the ML Market in accordance with rules ratified by the Ministry of Finance. The Main List is a stock exchange list that may only be maintained by a stock exchange. Other public trading as set forth in the SMA may also be arranged by the securities intermediaries such as credit institutions and investment firms. Securities traded on the stock exchange list may also be subject to other public trading. Helsinki Exchanges also arranges other professional trading on the Swedish Shares list. The said trading is not public trading.

The activity of Helsinki Exchanges is governed by the SMA and the option corporation activity by the Act on Trading in Standardized Options and Futures. Preconditions for granting a license to operate a stock exchange and an option corporation include that the company in question is a Finnish limited company with reliable administration, sufficient economic operating conditions and whose organization of operation as well as the rules to be complied with in its operation provide sufficient protection to investors. Commencement of the operation may not be contrary to public interest. Public trading shall be arranged reliably and impartially. The license to operate as an option corporation may also include the right to carry out option trade clearing.

Pursuant to the provisions of the Act on Trading in Standardized Options and Futures and its rules and regulations as an option corporation, Helsinki Exchanges acts as a counterparty in each derivative transaction carried out on the stock exchange. After a derivative transaction has been accepted for clearing, the option corporation is responsible for the rights of a derivative account holder based on his or her option or futures contract. Consequently, a derivative account holder is responsible for fulfilling the obligation attached to an option or a futures contract to an option corporation. An intermediary, who has carried out the derivative transaction shall further be responsible for the obligations based on the customer’s derivative contracts to an option corporation. In addition, an intermediary and a market maker shall be responsible for their own transactions to the option corporation. Helsinki Exchanges has managed its aforementioned responsibility through agreements with market participants, collateral arrangements related to derivative transactions and liability insurance for its operations.

A stock exchange and an option corporation shall among other things make sure that sufficient and reliable supervision is organized in order to ensure that the rules and regulations concerning stock exchange and option corporation activity and the rules of the stock exchange and option corporation and the code of conduct within in the stock exchange activity are complied with.

The Finnish Central Securities Depository Ltd
The Finnish Central Securities Depository Ltd (*Finnish: Suomen Arvopaperikeskus Oy*), herein referred to as APK operates as a central securities depository and as a clearing organization on the basis of licenses granted by the Ministry of Finance. The operation of a CSD is governed by the Act on Book-Entry System and by the Act on Book-Entry Accounts and the operation of a clearing organization is governed by the SMA and by the Act on Certain Conditions of Securities and Currency Trading as well as Settlement Systems. A license to operate as a clearing organization shall be granted on similar preconditions as regards a securities exchange and an option corporation. A CSD shall be able to handle all the book-entries incorporated in the book-entry system as well as perform all of the duties referred to in the Act on the Book-Entry System in a reliable manner and in a manner that ensures the appropriate development of the book-entry system. A CSD shall also have adequate financial and technical operating requirements in order to be able to attend to the duties of a central securities depository. A CSD shall also have a reliable administration and its ability to bear risks shall be adequately safeguarded.

APK shall attend to the joint duties of the book-entry system. This includes among other things maintaining the central data systems necessary for the operation of the book-entry system, monitoring that the number of book entries registered in the book-entry accounts corresponds to the issued number and keeping the lists referred to in the Act on Book-Entry Accounts. APK has a strict liability for those entries and actions that APK undertakes as a central securities depository in the book-entry system.

Since all book-entry accounts were centralized at APK by virtue of an amendment to the law in October 2000, all book-entry accounts are maintained in the common system of APK. APK has the right to provide access to the centralized system by granting licenses to account operators. In addition, APK has a mandatory obligation to act as an account operator. The central securities depository has a strict liability for damages caused by itself as an account operator, which corresponds to what is stated below regarding the liability of HEX Securities Services Ltd Oy as an account operator.

Liabilities related to the activities of the central securities depository have been covered *inter alia* through securities required from the clearing parties, by extending the insurance coverage of the company to also cover damages caused by strict liability, by mandatory funds (entry and settlement fund) and by the shareholders' equity of the central securities depository. In addition, APK has aimed to restrict its responsibility in agreements it enters into with account operators and issuers, to the extent restrictions of liability are possible.

The purpose of the entry fund is to cover the liability to account operators in accordance with the provisions of the Act on Book-Entry Accounts. The compensation received from the entry fund has been limited by the Act on Book-Entry System. Subject to certain conditions, the settlement fund of APK may be used to cover losses incurred in clearing operations and to fulfill a liability related to the clearing operations of a clearing organization or a clearing party.

In accordance with the legislation, APK shall provide certain basic maintenance and administration services, including dividend payments and custody, free of charge for private individuals who are holders of Finnish equity-related securities. The cost of providing this service is borne by the issuers participating in the book entry system. For corporate clients all services provided by APK are provided against payment.

APK is the sole provider of certain centralized services in the book-entry system as referred to in the Act on the Book-Entry System. For such services, APK's fees shall be reasonable and be based on neutral and objective pricing principles. The Ministry of Finance is entitled to prescribe which factors are to be taken into consideration when assessing such reasonability and neutrality.

APK also acts as a clearing organization. Together with the account operators and clearing parties, APK sees to it that all of the securities traded in an exchange and all other securities transferred to APK for clearing are transferred from the book-entry account of the seller to the book-entry account of the purchaser and that the seller receives the purchase price according to the "delivery against payment" principle. APK maintains two separate clearing systems, one mainly for equity securities (OM-System) and the other for debt securities (RM-System).

HEX Securities Services Ltd Oy

HEX Securities Services Ltd Oy operates as an account operator, as described in the Act on the Book-Entry System, which has been given the right to make entries in the book-entry register and to have authorized representatives as described in the said act. Based on the Act on the Book-Entry System, HEX Securities Services Ltd Oy as an account operator has a strict liability (also on behalf of its authorized representatives) for damages related to book-entry accounts, and resulting, *inter alia*, from a decision concerning an incorrect entry, an incorrect entry made in the book-entry account or an incorrect statement of account or any other similar incorrectness or deficiency in the registration operations; from a technical error or the interruption in the handling of information regarding book-entries or holders of book-entries or due to the failure of the company to settle a payment based on a book-entry.

Liabilities related to the operations of the HEX Securities Services Ltd Oy have been covered by, *inter alia*, extending the liability insurance of the company to cover damages resulting from the strict liability and by transferring the liability of the authorized representatives to themselves in the representative agreements. Furthermore, the liability of HEX has been limited in the agreements to the extent that limitations have been possible.

HEX Back Office and Custody Services Ltd

HEX Back Office and Custody Services Ltd ("**HBO**") operates as a custodian in accordance with the Investment Funds Act on the basis of a license granted by the Ministry of Finance. As of the date of this Prospectus, HBO operates as a custodian for two mutual funds. According to the said Act, HBO is as a custodian responsible, *inter alia*, for the accuracy of the calculation of the value of a fund unit and ensuring that a mutual fund operates in accordance with legislation and orders of the authorities as well as the rules of investment funds.

Furthermore, the Ministry of Finance has decided upon the conditions on which HBO may be granted the status of a clearing party in the systems of APK. Pursuant to this decision, HBO shall conform to the provisions of the Act on Investment Firms concerning capital adequacy and risk control and rules and guidelines issued by the FFSA based on the said Act.

HBO operates as an account operator, as described in the Act on Book-Entry System, which has been given the right to make entries in the book-entry register. HBO has a strict liability for damages it has caused during its operations as account operator in a manner that corresponds to what has been mentioned about the liability of HEX Securities Ltd Oy as an account operator. Liabilities related to the operation of HEX have been covered by, *inter alia*, extending the liability insurance of the company to cover damages resulting from the strict liability.

Furthermore, HBO shall prepare its annual accounts in accordance with the decision of the Ministry of Finance on the Annual Accounts and the Consolidated Accounts of a Credit Institution and of an Investment Firm (1259/2000) as well as with the regulations and guidelines issued by the Financial Supervision Authority on the accounts of a licensed investment firm. HBO shall also submit its audited annual accounts, auditors' reports, minutes of General Meetings and interim reports to the Financial Supervision Authority in the same manner as licensed investment firms. HBO shall continuously fulfill the requirements set forth in the Act on Investment Firms on the reliable administration and control of an investment firm (including but without limitation to fit and proper persons tests and ownership control).

Estonia

Tallinn Stock Exchange

The Tallinn Stock Exchange is a securities exchange operated by AS Tallinn Stock Exchange (in Estonian AS Tallinna Börs, herein referred to as "**TSE**") on the basis of a corresponding license granted by the Financial Supervision Authority. The TSE opened for business in May 1996, is one of the main sources for investment opportunities for both local and foreign investors in the Estonian securities market. In May 2001 HEX acquired a majority ownership (62 percent) of the TSE, which adopted a common trading system with Helsinki Exchanges in February 2002. Major domestic market participants, such as credit institutions and other financial intermediaries, hold minority stakes in the TSE.

The Estonian Securities Market Act of 2001 that regulates *inter alia* activities of stock exchanges in Estonia imposes requirements on the TSE with the purpose of ensuring transparent and efficient trading and of maintaining the confidence of investors and the general public in the securities markets. For this purpose, the TSE is required to maintain its own rules and regulations that govern among other things listing, trading, clearing and settlement and de-listing of securities, obligations applicable to issuers and broker-dealers, provision of information by issuers, the settlement of disputes and the liability of issuers and broker-dealers.

Estonian CSD

Almost all securities that are publicly traded in the Estonian securities market are book-entry securities that are registered with the Estonian Central Registry of Securities ("**ECRS**"). The ECRS was established by the State in order to facilitate public trading in securities and to provide transparency and legal certainty as to the ownership of securities. Registration of certain types of securities, such as the shares of public limited companies registered in Estonia, units of investment funds registered in Estonia and debt securities of Estonian issuers that are offered publicly in Estonia, must be registered in the ECRS. Furthermore, all securities traded on the Tallinn Stock Exchange must be registered with the ECRS.

A fully owned subsidiary of the TSE, AS Estonian CSD (in Estonian AS Eesti Väärtpaberikeskus) is the administrator of the ECRS. Activities of Estonian CSD are governed by the Estonian Central Registry of Securities Act of 2000, different regulations adopted by the Ministry of Finance, Data Processing Rules established by the Estonian CSD and the "Agreement for the maintenance of the ECRS", which has been concluded between Estonian CSD and Ministry of Finance. The "Agreement for the maintenance of the ECRS" was concluded in 1994 and amended in 2002 in order to make the agreement compliant with the Estonian Central Registry of Securities Act. In accordance with the amended Agreement it has been agreed upon a predetermined termination date which is 31 December 2014. After this date the maintainer of ECRS shall be elected in accordance with the Government decree "on conditions and procedure for the election of the registrar".

All transactions with securities registered with the ECRS, including transactions executed on the Tallinn Stock Exchange are cleared and settled through Estonian CSD. Monetary transfers in connection with securities transactions involving securities registered with the ECRS are cleared and settled through Interbank Payment System, operated by the Bank of Estonia.

The other main functions of Estonian CSD include the holding of book-entry securities and recording of transactions related to them, registration of owners of securities, pledges and loans of securities and processing and clearing of securities transactions and technical administration of the Estonian Funded Pension System.

Under the Estonian Central Registry of Securities Act of 2000, the price list of the Estonian CSD and any amendments thereto must be approved beforehand by the ministry of Finance.

Latvia

Riga Stock Exchange
The Riga Stock Exchange (”**RSE**”) is currently the only securities exchange in Latvia. It acts in accordance with the Law on Securities which determines the procedures for public issuance, registration and trading of securities and the activity and liability of securities market participants, and also protects investors’ interests by ensuring transparency and equal opportunity for all persons to act in the securities market, and ensures equal access to information related to the public issue, registration and circulation of securities.

The RSE is a joint stock company that organizes open and regular trading in public securities. Members of the RSE are licensed persons who are allowed to participate in trading sessions of the stock exchange. The RSE shall serve all participants of the securities market as an open and accessible organization that facilitates public economic stability and security. The RSE shall ensure the concentration of the supply and demand of securities to determine the price of securities, as well as the safety of entering into transactions, release of uniform information and organization of settlements related to securities transactions.

Trading at the RSE is conducted by its members (investment managers or brokers) on behalf of their clients. The RSE operates an automated trading system that matches the orders and quotes prices during the trading session. After the closing of each session, the results are transferred to the Latvian Central Depository of Securities (LCD). In order to ensure sound practices for securities transactions at the RSE, members of the RSE are obliged to contribute to the guarantee fund for the settlement of trades.

Latvian Central Depository of Securities
All public securities in Latvia shall be registered with Latvian Central Depository (“**LCD**”) which opens correspondent accounts for securities holders. Procedures for opening, holding and closing securities accounts are determined in accordance with the regulations of LCD.

LCD organizes clearing and settlement of trades concluded either on the RSE or the OTC (over the counter) market by settling the securities positions of its members’ corresponding securities accounts. Cash positions of trades are cleared at the Central Bank of Latvia. LCD maintains the double entry accounting principle for all public securities to provide safety of registration and accounting. Securities and cash book-entries shall be made simultaneously for each trade.

Settlement of trades is organized at LCD which is a joint stock company owned by the RSE that records, accounts for and holds securities that have been issued and are in public circulation, as well as ensuring the accounting of securities and money settlements in securities transactions at the RSE and settlements for securities among account holders. LCD acts pursuant to its regulations and instructions that are approved by the Finance and Capital Market Commission (FCMC). The primary objective of LCD is to open securities correspondent accounts for account holders (banks and brokerage firms), to register and account for securities, and to carry out transactions between securities accounts in order to ensure settlements in transactions of securities in public circulation. FCMC has the veto right for decisions rendered by LCD with regard to its activity in the securities market.

LCD has the right to record public securities, to open and hold securities correspondent accounts for banks and brokerage firms, to transfer securities between the securities accounts, to provide issuer services and to settle cash accounts between securities traders through the Central Bank of Latvia.

RSE’s securities operations
The RSE and LCD are not licensed to conduct securities intermediary operations on behalf of holders of securities accounts with banks or brokerage firms. LCD has established the Securities Lending and Borrowing Program whereas it allocates securities loans to qualifying members.

RSE’s fund operations
The RSE lists securities issued by licensed investment funds in Latvia similar to any other securities operations. The RSE is not licensed to operate investment or pension funds itself.

Market supervision

Finland

Market Supervision in Helsinki Exchanges and APK
Pursuant to law, Helsinki Exchanges and APK shall perform market supervision on their issuers, brokers, account operators and organizations and other parties acting on the stock exchange or in APK. Helsinki Exchanges and APK's objective in market supervision is to enhance the transparency and reliability of marketplace operations.

The disciplinary powers of Helsinki Exchanges and APK are exercised by the Disciplinary Board and its Secretary. The Disciplinary Board may impose a sanction for an infringement, which can be a reprimand or caution. The Disciplinary Board may also issue a temporary suspension of the rights of a member or a broker of Helsinki Exchanges or propose to the Board of Helsinki Exchanges or APK the permanent cancellation of such rights or the de-listing of a security.

As a sanction in connection with a reprimand or a caution, the Disciplinary Board may order the party in question to pay a disciplinary charge to APK. The disciplinary charge imposed on an organization shall be not less than EUR 10,000 and not more than EUR 200,000. For a natural person the minimum and maximum charges are EUR 1,000 and EUR 10,000 respectively. The decisions taken by the Disciplinary Board are generally available to the public.

Those subject to enforcement by the Disciplinary Board and its Secretary include Helsinki Exchanges, securities and derivatives brokers, market makers and brokers employed by them, issuers and, regarding APK, clearing parties and account operators as well as their authorized representatives.

Supervision of the HEX group by the FFSA
The above-mentioned activities of the HEX group that require a license are also under the supervision of the FFSA. The FFSA also supervises the holding company of the licensed entities. The rules of a stock exchange, clearing organization, central securities depository and option corporation shall be approved and ratified by the Ministry of Finance. The FFSA performs among other things its duty by requesting information that it deems necessary to perform supervision and the relevant entity in the HEX group under supervision is obligated to provide such information. Furthermore, the FFSA may attend the meetings of the decision-making bodies of the supervised entities, inspect the supervised entities and issue regulations and guidelines to them subject to specific delegation provisions set out in legislation. The FFSA may prohibit the execution of a decision or other planned measure of a decision-making or administrative body of a supervised entity if such decisions, measures or actions do not comply with Acts or decrees or any provisions based on the Acts, or decrees, or if they do not comply with the Articles of Association, confirmed regulations or bylaws of the supervised entity. If the supervised entity has essentially violated the conditions of the authorization granted by the FFSA or the Ministry of Finance, or if there has been a fundamental change in circumstances from those that prevailed at the time that the authorization was granted, the FFSA may amend the authorization or withdraw it or propose to the Ministry of Finance that it amend or withdraw a license granted by it.

Ownership control by the FFSA
According to the SMA, if anyone proposes to acquire a holding of a stock exchange, an option corporation, a clearing organization or a central securities depository that would be equal to at least one-twentieth of the share capital or voting rights of the said entity, the FFSA shall be notified of the acquisition well in advance. If the purpose is to increase the holding so that it would reach or exceed one-tenth, one-fifth, one-third or half of the share capital or voting rights of the entity, the FFSA shall also be notified of this acquisition in advance. The corresponding duty to notify shall be applied when the holding would fall below the referred thresholds.

A stock exchange, an option corporation, a clearing organization and a central securities depository shall at least once a year provide the FFSA with the names of the holders of the holdings referred to above, as well as their portions of the share capital and voting rights of the entity if they are known to it. The said entities shall immediately notify the FFSA of any changes in the holdings that have come to their knowledge.

The provisions of this section on the said entities and on the notification of a portion to be acquired thereof shall also apply to an organization that has control over them in the manner provided for in the SMA.

Tallinn Stock Exchange

The legal basis for the Estonian securities market is the Securities Market Act of 2001. The Central Registry of Securities Act, the Investment Funds Act, the Pension Funds Act, the rules and regulations of the Tallinn Stock Exchange and the rules of the Estonian CSD provide further regulation of the securities markets and the financial sector.

Estonian securities markets are supervised by the Financial Supervisory Authority (Finantsinspektsioon) that was established in 2001 pursuant to the Financial Supervisory Authority Act of 2001 and commenced its activities on 1 January 2002. The Financial Supervisory Authority is an agency with autonomous competence and its own budget which operates under the Bank of Estonia and supervises credit institutions, securities market participants (including stock exchanges) and insurance companies.

According to the principle of self regulation (as set out in the Securities Market Act), both the TSE and Estonian CSD exercise supervision over their members in order to ascertain compliance with laws and their respective rules. Because the majority of securities that are traded in Estonia are in book-entry form, the effects of supervision by the Tallinn Stock Exchange and AS Estonian Securities Centre are significant in the context of the whole domestic market.

Riga Stock Exchange

Supervision of public circulation of securities is performed by the FCMC (the Finance and Capital Markets Commission of Riga). The FCMC has the right to approve regulations on securities offerings, to obtain information from issuers, to suspend or prohibit public issuance of securities and to apply the sanctions provided for by the Law on Securities. The goal of the FCMC is to protect the interests of investors and to promote the development and stability of the financial and capital markets in Latvia. FCMC shall focus its efforts on increasing the confidence of the participants of the financial and capital markets to the extent that the confidence reaches the level of confidence observed in EU member countries.

The RSE may issue its own regulations approved by the FCMC to set forth the classes of securities that may be quoted on the RSE, the process of trading, conditions of quotation, rights and duties of RSE members, terms and conditions for entering into and registration of securities transactions. Trading of public securities outside of the RSE is permitted only in accordance with the regulations of the RSE and LCD. Pursuant to the Law on Securities all licensed brokerage firms and banks that carry out securities operations shall comply with the regulations of LCD and the RSE and the rules of the FCMC.

The FCMC may revoke the license issued to the RSE if the operation of the RSE does not comply with the effective laws and regulations, or, the legal basis for issuance of the initial license has changed. LCD is approved to serve as the national depository and is not licensed for its activity by the FCMC. Pursuant to the Law on Securities any change of shareholding exceeding ten, twenty-five, fifty or seventy-five percent of the share capital of LCD shall be subject to the approval of the FCMC.

Insider regulations

The HEX insider instructions are divided into two parts. The first part contains the insider rules concerning the Board of Directors, the personnel and other persons with the duty to declare ("personnel"). The marketplace insider rules contain the legislative duties to declare, that maintain the confidentiality of the marketplace operations. In addition, the rules contain extensions to the legislative requirements concerning the scope of persons and procedures.

The marketplace insider rules cover securities and derivatives listed on Helsinki Exchanges, the Tallinn Stock Exchange and the Riga Stock Exchange, as well as securities and derivatives separately specified in the instructions. The insider instructions state that the personnel have the duty to declare all acquisitions and transfers of such securities and derivatives. In addition, the personnel are subject to a so-called short-term trading ban of three months.

Information about personnel holdings in accordance with the marketplace insider rules is available in the NetSire system of APK as far as Finnish book-entry securities are concerned.

The second part of the insider instructions contains the HEX insider regulations. The procedures and administration of the HEX insider rules correspond to the insider rules given to the listed companies by Helsinki Exchanges. The scope of the rules includes the permanent insiders and per-project insiders of HEX. Permanent insiders include persons who, in their duties, regularly possess information affecting the value of securities and derivatives issued by HEX. Any acquisitions or transfers of securities and derivative agreements issued by HEX by a permanent insider are subject to permission from the person in charge of insider issues.

The following description is based on the tax laws of Finland and Sweden and the Nordic tax treaty for the avoidance of double taxation in effect on the date of this Prospectus, and may be subject to changes in Finnish and Swedish law or the above mentioned treaty, with a possible retroactive effect. You should consult a professional advisor as to the tax consequences of the Offer and the ownership, purchase and disposition of OM shares, including, in particular, the effect of tax laws of any other jurisdiction. Holders of shares and warrants who are tax residents outside of Finland are urged to consult their own tax advisor as to the consequences resulting from the Offer. This advice applies especially for persons holding and disposing of warrants.

SWEDISH TAX CONSIDERATIONS

The following is a description of the material Swedish income and net wealth tax consequences with respect to the Offer for holders of HEX shares or HEX Warrants that are non-residents of Sweden for tax purposes. This section applies only to holders of shares representing less than 10 percent of the capital and votes and is not applicable if the HEX shares or HEX Warrants pertain to a permanent establishment or fixed base of business in Sweden. Holders of shares or warrants should consult their own tax advisors regarding the Swedish and other tax consequences of acquiring, owning and disposing of shares or warrants.

Taxation of capital gains

Generally, the Offer may be accepted by non-residents of Sweden and corporations not domiciled in Sweden without any Swedish tax consequences.

Non-residents of Sweden are generally not liable for Swedish capital gains taxation with respect to the sale of shares or warrants. However, under Swedish tax law, capital gains from the sale of certain Swedish securities, such as the OM shares or fractional entitlements of OM shares, by private individuals may be taxed in Sweden if such individuals have been residents of Sweden or have lived permanently in Sweden at any time during the year of the sale or the ten calendar years preceding the year of the sale at a rate of 30 percent. This provision may, however, be limited by tax treaties that Sweden has concluded with other countries. The Nordic tax treaty currently in force reduces this period to the five years following the year during which the individual became a non-resident of Sweden.

Taxation of dividends

A Swedish dividend withholding tax at a rate of 30 percent is imposed on dividends paid by a Swedish company, such as OM, to non-residents of Sweden. The same withholding tax applies to certain other payments made by a Swedish company, including payments as a result of the redemption of shares and the repurchase of stock through an offer directed to its shareholders. Exemption from the withholding tax or a lower tax rate may apply by virtue of a tax treaty. Under the current Nordic tax treaty the withholding tax on dividends paid on shares representing less than 10 percent of the capital to eligible Finnish holders is generally capped at 15 percent.

Under all Swedish tax treaties, with the exception of the tax treaty currently in force between Sweden and Switzerland, the withholding tax at the applicable treaty rate should be withheld by the payer of the dividends. With regard to dividends paid on shares in companies registered with VPC (such as OM shares), a reduced rate of dividend withholding tax under a tax treaty is generally applied at the source by VPC or, if the shares are registered with a nominee, the nominee, as long as the person entitled to the dividend is registered as a non-resident and sufficient information regarding the tax residency of the beneficial owner is available to VPC or the nominee.

In those cases where Swedish tax is withheld at the rate of 30 percent and the person that received the dividends is entitled to a reduced rate of withholding tax under an applicable tax treaty, a refund may be claimed from the Swedish tax authorities not later than at the end of the fifth calendar year after the distribution.

The Swedish withholding tax provisions are currently under review, and new or amended provisions may be introduced as a result of this review.

It should be noted that due to technical issues, a Swedish withholding tax of 30 percent will also be withheld for dividends and similar payments to Swedish tax residents on OM shares that are registered at APK.

Net wealth taxation

OM shares are not subject to Swedish net wealth taxation if the holder is not resident in Sweden for tax purposes.

FINNISH TAX CONSIDERATIONS

General

The following is a description of the material Finnish income and net wealth tax consequences that may be relevant with respect to the Offer concerning HEX shares or HEX Warrants and the ownership or disposition of OM shares. The description below only addresses Finnish tax legislation and does not take into account the tax laws of any other countries.

The description below is only applicable to residents of Finland for the purposes of Finnish internal tax legislation. This description does not address tax considerations applicable to holders of shares or warrants that may be subject to special tax rules, including among others business carrying entities, tax-exempt entities or general or limited partnerships. Furthermore this description does not address either Finnish inheritance or gift tax consequences.

This description is based on:

- The Income Tax Act *(Tuloverolaki 30.12.1992/1535);*
- The Net Wealth Tax Act *(Varallisuusverolaki 30.12.1992/1537);*
- The Business Income Tax Act *(Laki elinkeinotulon verottamisesta 24.6.1968/360);* and
- The Transfer Tax Act *(Varainsiirtoverolaki 29.11.1996/931).*

In addition, relevant case law, decisions and statements made by the tax authorities in effect and available on the date of the Prospectus have also been taken into account.

All of the foregoing is subject to change, which can apply retroactively and may affect the tax consequences described below.

You are advised to consult your own tax advisors as to the Finnish tax consequences resulting from the Offer.

Tax consequences related to the Offer

Under Finnish tax law, a share exchange made pursuant to an exchange offer is generally not considered to be a disposal of shares for tax purposes as long as the transaction falls under the definition of a share exchange provided by the Finnish Business Income Tax Act. Under the Finnish Business Income Tax Act, a share exchange offer is defined as a transaction where a company acquires a portion of a target company's shares that entitles it to more than half of the voting power in the target company and, in exchange, the acquiring company issues its own new shares to the shareholders of the target company. Under the Finnish Business Income Tax Act, the consideration for the acquired company's shares may also be paid partly in cash. However, such cash payment must not exceed ten percent of the nominal value of the shares issued as consideration or, if the shares do not have a nominal value, of the accounting par value of the shares, in order for the transaction to qualify as a share exchange. Under Finnish tax law, as a share exchange is not considered to be a disposal of shares for tax purposes, the shares offered in exchange will have the same acquisition cost and date as the original shares held by the shareholder in the acquired company. However, to the extent that a shareholder of the target company receives a cash payment, Finnish tax law will treat the transaction as a realization event and such shareholder will be liable for taxes on possible capital gains.

If the conditions included in Section 52(f) of the Finnish Business Income Tax Act are met, the exchange of HEX shares for OM shares pursuant to the Offer will not give rise to any immediate Finnish capital gains tax consequences. The acquisition cost of the shares received by a shareholder in exchange for shares in the target company is deemed to be the acquisition cost of the target shares transferred. The taxation on any capital gains or deduction of capital losses on the exchanged shares is deferred until the shares are further transferred. If a Finnish resident who has received shares in a share exchange ceases to be a resident of Finland within three years of the end of the tax year in which the exchange of shares was carried out, the non-taxed capital gain that would have been subject to tax in the absence of the share exchange provisions will be taxed in the year in which the person ceases to be a resident of Finland.

Since fractional OM shares will not be delivered to holders of HEX shares in connection with the Offer, holders of HEX shares will receive consideration to the extent of their entitlement to fractions of OM shares. Please see section "The Offer – Terms and conditions of the Offer". Any cash payment that holders of HEX shares may receive in connection with the Offer for fractional entitlements may be subject to Finnish capital gains taxes. In addition, any subsequent disposal of OM shares received pursuant to the Offer may be subject to Finnish capital gains taxes.

In determining the taxation in relation to capital gains or losses under Finnish tax law, an individual investor has an option to deduct from the sales price either the actual acquisition cost of the shares, calculated on a pro rata basis on the shares and their fractions received and other costs related to the exchange of shares. Alternatively, a natural person taxed according to the Income Tax Act can deduct from the sales price a presumptive acquisition cost equal to 20 percent or, if the shares have been held for at least ten years, 50 percent of the sales price. The capital gains from the disposal of shares by non-residents of Finland are not considered taxable income in Finland unless the shares pertain to a permanent establishment or a fixed base of business in Finland. As of the date of this Prospectus, the Finnish capital gains tax rate is 29 percent. According to the Income Tax Act, a possible capital loss is deductible from other capital gains received by the taxpayer during the sales year and the following three years. Please see also section "Taxation — Swedish tax considerations — Taxation of capital gains".

Taxation of dividend income

Dividend income received on OM shares will not qualify for a tax credit under the Finnish imputation system. Therefore, any dividend income that a shareholder who is a Finnish resident receives on OM shares, will generally be subject to Finnish tax.

Dividends received by a Finnish individual investor from a company listed on a foreign stock exchange are taxed in Finland as investment income. Therefore, the dividend distributed by OM to a Finnish resident is taxable at a rate of 29 percent (in 2003) in Finland. However, dividend income received by a company that is a resident of Finland and that directly owns ten percent or more of OM's voting shares or 25 percent of OM's share capital, will be exempt from Finnish income taxes.

As discussed under "Taxation — Swedish tax considerations", a withholding tax is generally imposed under Swedish tax law on dividends paid by a Swedish company to a non-resident shareholder. Swedish withholding tax imposed may, under Finnish tax law and the Nordic tax treaty, be credited against taxes levied in Finland. This tax credit is not received automatically and must be claimed specifically. A Finnish resident association of public utility or an association for the public good may upon application be granted an exemption from the tax in Sweden.

Transfer tax

If a security is transferred by a Finnish resident, a Finnish branch office of a foreign credit institution or a Finnish branch of a foreign investment service institution, then a transfer tax (1.6 percent of the transfer price in tax year 2003) is to be levied in Finland. In the case of a foreign transferee, the transferor is liable for collecting the transfer tax from the transferee. OM has, however, pursuant to the terms and conditions of the Offer, undertaken to pay such a transfer tax.

Wealth tax

The listed OM shares and HEX shares that are held by Finnish residents, are valued at 70 percent of their fair market value for Finnish wealth tax purposes. Net wealth tax is levied on property owned by a Finnish taxpayer on 31 December of a given tax year. As of the date of this Prospectus, the wealth tax in Finland amounted to EUR 80 on a net wealth of EUR 185,000 and an additional 0.9 percent on any net wealth in excess of this amount. Most Finnish corporations are exempt from the net wealth tax.

Taxation of stock warrants

Under the Finnish Income Tax Act, any benefit derived from employee stock warrants is taxed as employment income at the time that the employee stock warrants are exercised. Employment income is taxed at a progressive rate. The exercise of an employee stock warrant is deemed to take place when the warrants are exchanged for the shares to which they are entitled or when the warrants are disposed of. Taxable employment income is calculated using the fair market value of the shares on the exercise date or the selling price of the warrants less the acquisition cost of the shares and/or stock warrants.

Pursuant to the terms of the Warrant Offer, OM is offering a cash consideration of EUR 5.90 for each HEX Warrant. The purchase price less the acquisition cost of the HEX Warrants shall be subject to income taxation at a progressive rate.

However, the taxation will not take place contemporaneously with the payment of the purchase price. Since the income is regarded as employment income, it will be regarded as taxable salary income in the month following the transfer of the warrants and the income tax shall be withheld from the warrant holder's salary after the transfer of the warrants during the remaining part of the tax year in question. The amount of total income tax is calculated on the basis of the aggregate employment income of a warrant holder. The monthly amount of withholding tax may not exceed the monetary wages of the warrant holder.

The levied income tax in excess of the withholding tax in a tax year shall be paid as residual tax afterwards, and is subject to applicable interest. A taxpayer may manage to avoid paying any interest on residual tax by disbursing supplementary prepayment of tax no later than on 31 March in the year following the tax year in question.

Contrary to customary employment income, the consideration received from the disposition of employee stock warrants is generally not subject to the employment pension insurance contribution and other comparable insurance contributions. Those insurance contributions are payable in part by the employer and in part by the employee. If the consideration received by a holder of HEX Warrants were regarded as subject to the above-mentioned insurance contributions, the amount payable by the warrant holder would be 4.8 percent, which is comprised of an employment pension contribution (4.6 percent) and an unemployment insurance contribution (0.2 percent).

At the request of HEX (the request having been made by HEX prior to OM and HEX agreeing upon the combination and not in relation thereto), the Pension Security Centre has given a statement concerning the nature of the income received by a holder of HEX Warrants in the case where HEX redeems the warrants in accordance with the terms and conditions of the warrants. The Pension Security Centre stated that such a redemption consideration would be subject to insurance contributions, since the redemption of the warrants by HEX resembles more a bonus salary system than stock warrants.

No statement has been requested from the Pension Security Centre in relation to the offer of OM to purchase the HEX Warrants. There is therefore no statement to the effect that the consideration paid by OM for the HEX Warrants would be subject to the pension insurance contribution and other comparable insurance contributions.

With respect to transfer tax issues, please see section "Taxation – Finnish tax considerations – Transfer tax" above.

Compulsory acquisition of HEX shares

If the Offer is completed, holders of HEX shares who do not participate in the Offer may receive a cash consideration under the compulsory acquisition provisions of the Finnish Companies Act. Regarding the Compulsory Acquisition regarding HEX shares, please see section "The Offer – Terms and conditions of the Offer – Holders of HEX shares and HEX Warrants not accepting the Offer". Amounts received for HEX shares by shareholders in a Compulsory Acquisition will be subject to regular Finnish capital gains taxation.

The effect of a compulsory acquisition on a tax neutral share exchange has not been addressed in Finnish tax legislation and is partly open to interpretation. However, the Finnish Supreme Administrative Court has recently given a non-appealable decision concerning another share exchange transaction stating that cash amounts received by shareholders due to a compulsory acquisition should not be regarded as a cash consideration for the purposes of calculating whether the exchange offer transaction qualifies as a tax neutral share exchange, i.e. whether the cash consideration exceeds 10 percent of the nominal value (or in the absence of nominal value, accounting par value) of the share subject to the exchange offer.

Set forth below is a summary of certain information concerning the Swedish and Finnish securities markets and certain provisions of Swedish laws and Finnish laws as well as Swedish and Finnish securities market regulations, respectively, in effect on the date of this Prospectus. Such summary is qualified in its entirety by reference to Swedish and Finnish laws and Swedish and Finnish securities market regulations, respectively.

THE SWEDISH SECURITIES MARKET

Trading system

Stockholmsbörsen is an authorized securities exchange in accordance with the Swedish Securities Exchange and Clearing Operations Act *(lag (1992:543) om börs- och clearingverksamhet)* and is subject to regulation by Finansinspektionen, the Swedish Financial Supervisory Authority (the "**SFSA**"). The Swedish Securities Exchange and Clearing Operations Act regulates and supervises the Swedish securities market and the SFSA implements this regulation and supervision. Please see section "OM – Other information – Authorizations, supervision and regulatory framework".

During 1990, Stockholmsbörsen became a fully electronic marketplace since trading on the SAX (Stockholm Automated Exchange System, a computerized order-matching system, renamed SAXESS™) was extended to comprise all of the Swedish shares traded on Stockholmsbörsen and the new paperless account-based security system, administered by VPC AB (the Swedish Central Securities Depository, "**VPC**"), was introduced in full scale. Member firms of Stockholmsbörsen are able to operate from an optional geographic location via advanced data communications. Brokers' representatives are able to trade via network stations that have been developed by Stockholmsbörsen or via their own electronic data processing systems that are linked to SAXESS™.

Trading in shares on Stockholmsbörsen is conducted on behalf of clients by banks and brokerage firms. While banks and brokers are permitted to act as principals in trading both on and off Stockholmsbörsen, they generally engage in transactions as agent.

Each trading day on Stockholmsbörsen begins with an open morning call and ends with an open closing call. At 9:15 a.m. (CET) an open call procedure begins for all shares simultaneously, preceding the commencement of trading at 9:30 a.m., when the first share is assigned its opening price and then becomes subject to continuous trading. After approximately 8 minutes, at 9:38 a.m., the opening prices for all of the shares have been established and trading continues at prices based on market demand until 5:20 p.m. when the closing call is initiated. The closing call ends at 5:30 p.m., which is Stockholmsbörsen's closing time. Buy and sell orders are registered in SAXESS™ in round lots corresponding to SEK 10,000 on the O-list and SEK 20,000 on the A-list and odd lots are matched separately at the last price for round lots.

In addition to official trading on Stockholmsbörsen, there is also trading off Stockholmsbörsen during and after official trading hours. Trades in excess of 20 round lots can be carried out off Stockholmsbörsen if the transaction price lies within the spread that appears in SAXESS™. Trades in excess of 250 round lots, however, may be carried out off exchange without regard to this spread. Trades after the official trading hours of Stockholmsbörsen must normally be carried out at a transaction price that lies within the spread that appears in SAXESS™ at the time of the closing. If there are no orders in SAXESS™ at that time, the trade may be effected at a price that otherwise reflects the market situation at that time. If the market situation changes after the closing of SAXESS™, trades may be effected outside the spread, provided that it can be shown that the transaction price reflected the market situation prevailing at the time of the trade. Trading on Stockholmsbörsen tends to involve a higher percentage of retail clients, while trading off exchange often involves larger Swedish institutions, banks arbitrating between the Swedish market and foreign markets and foreign buyers and sellers purchasing shares from or selling shares to Swedish institutions.

The regulatory system governing trading on and off Stockholmsbörsen is intended to provide transparency and equality of treatment. All trades on Stockholmsbörsen are made through SAXESS™ to Stockholmsbörsen, which records information on the banks and the brokers involved, the issuer, the number of shares and the price and the time of the transaction. Each bank or broker is required to maintain records indicating trades carried out as agent or as principal. All trades off Stockholmsbörsen by or through members of Stockholmsbörsen must be reported to Stockholmsbörsen within five minutes, unless they are effected after 5:30 p.m. Trades after 5:30 p.m. must be reported no later than 15 minutes prior to the opening of the next trading day. All trading information reported on Stockholmsbörsen is publicly available. Stockholmsbörsen also maintains a Market Surveillance Department with a specific group that reviews trading during the day on a "real time" basis, as described below.

The Market Surveillance Department continually examines information disseminated by listed companies. Accordingly, information such as earnings reports, acquisitions and other investment plans, and changes in ownership structure, is reviewed on a daily basis. The listed companies are obliged to reveal non-public price sensitive information to the Market

Surveillance Department. When the Department has received such information it monitors trading in the shares concerned to ascertain if unusual trading activity develops that indicates that individuals may be trading on such information. If this is the case, the Department contacts the issuer to ensure that the information is made public as soon as possible. In some cases there could also be reasons to refer the matter to the SFSA for further investigation.

Disclosure of interests and insider regulations

Pursuant to a recommendation from the Swedish Industry and Commerce Stock Exchange Committee (the "**NBK**"), any seller or purchaser of shares, convertible debt instruments, certain other financial instruments, options, futures and certain other non-standardized instruments of a Swedish company listed on Stockholmsbörsen (or any other Swedish securities exchange or authorized marketplace) is required to report to the company and to Stockholmsbörsen (or other relevant securities exchange or authorized marketplace) transactions as a result of which the purchaser becomes the owner of five percent or more of either the voting rights or the number of shares in the company, or if the seller's holding falls below this threshold. The same requirement applies for each multiple of five percent of the votes or shares that the purchaser or seller reaches, exceeds or falls below, i.e., ten, 15, 20 percent etc., up to and including 90 percent. In addition, these changes in ownership must be publicly disclosed by the purchaser or seller by notifying a recognized news agency and a nationally published daily newspaper. Such notifications must be made at the latest by 9:00 a.m. on the next business (securities exchange) day after the transaction was made. For the purpose of the NBK recommendation, transactions in shares and other relevant instruments made by certain related individuals or enterprises or certain parties acting in concert must be included when calculating the relevant holding of the purchaser or seller.

Under the Financial Instruments Trading Act *(lagen (1991:980) om handel med finansiella instrument)*, any person who has acquired or transferred shares in a Swedish company that has issued shares which are listed on a securities exchange situated or operating in a country within the European Economic Area or which, although not listed, are quoted on a securities exchange or an authorized marketplace in Sweden, must within seven days of the acquisition or transfer report the transaction in writing to the company and to Stockholmsbörsen or other relevant securities exchange or authorized marketplace where shares in the company are quoted (or, if the shares are listed on an exchange outside Sweden, to the SFSA) if the acquisition results in the purchaser's percentage of the voting rights for all shares in the company reaching or exceeding any of the thresholds of ten, 20, 33 1/3, 50 and 66 2/3 percent or if the transfer results in the seller's percentage of the voting rights for all of the shares in the company falling below any of the above-mentioned thresholds. For the purpose of the Financial Instruments Trading Act, transactions in shares made by certain related individuals or enterprises or certain parties acting in concert must be included when calculating the relevant holding of the purchaser or seller.

The Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments *(lagen (2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument)* requires individuals who own shares representing ten percent or more of the outstanding share capital or voting rights in a Swedish company quoted on Stockholmsbörsen or any other Swedish securities exchange or authorized marketplace, to report such ownership and changes in such ownership to the SFSA, which keeps a public register based on the information contained in such reports. In this regard, shares held by certain closely related persons and by certain entities are to be treated as the purchaser's or the seller's own shares. In addition, individuals who hold an insider position in such a company are required to file corresponding reports. For further information on reporting obligations applicable to certain of OM's employees, please see "OM – Authorizations, supervision and regulatory framework – Reporting obligations and trading rules of OM employees – Reporting obligations".

The Swedish Insider Penal Act *(insiderstrafflagen (2000:1086))* provides sanctions against insider trading. The insider trading rules are enforced by the SFSA, and the Market Supervision Unit of Stockholmsbörsen reviews trading data for indications of unusual market activity or trading behavior.

Certain types of agreements in connection with financial instruments trading, such as fictitious transactions or transactions aiming to withdraw financial instruments from public trading, if entered into with the intention of improperly influencing the market price of these instruments, constitutes a criminal offense under the Insider Penal Act. Similarly, other measures taken with a view to improperly influence the market price constitute a criminal offense. Market manipulation may also constitute fraud or swindle under Swedish law. However, as previously described, trading data is recorded as to all securities and derivative transactions relating to listed securities and data related to trading activity is subject to supervisory review by the SFSA. This provides an enforcement mechanism for reducing market manipulation. The SFSA may cause the operating license of a bank or brokerage firm to be revoked if the bank or broker has engaged in improper conduct. Improper conduct can also include behavior constituting market manipulation.

Registration process

The shares of OM are registered in the account based security system of VPC, and the register of shareholders of OM is kept by VPC. VPC is an authorized central securities depository under the Swedish Act on Registration of Financial Instruments *(lag (1998:1479) om kontoföring av finansiella instrument)* and carries out, among other things, the duties of registrar for Swedish companies listed on Stockholmsbörsen.

VPC keeps a paperless share registration system. Share certificates in OM are not issued. Title to shares is ensured only through registration with the VPC.

In accordance with Swedish law and practice and the regulations of VPC:

- Only one person is normally registered as the holder of a share. Joint holders are not usually recorded in the VPC register. Shareholders may be entered in the register in the name of the beneficial owner or in the name of the person designated as nominee for the beneficial owner. In the latter case, a notation is made in the register to the effect that the nominee is holding the share(s) in such capacity. There is also a separate register maintained by VPC to record the names of persons who have other interests in respect of shares, such as the interest of a pledge.
- Where the registered holder is a nominee, the nominee receives, on behalf of the beneficial owner, dividends and, on capital increases, shares as well as rights in respect of shares such as in relation to a rights issue or a bonus issue. Dividends are remitted in a single payment to the nominee. That nominee is then responsible for the distribution of such dividends to the beneficial owners. A similar procedure is used for share issues.
- Specific authority to act as a nominee must be granted by VPC.
- A nominee is required to file a report with VPC with regard to any holding on behalf of a single beneficial owner in excess of 500 shares in one company. A list containing this information must be open to public inspection and must reveal the name of the beneficial owner but need not reveal the name of the nominee in whose name the shares have been registered. The beneficial owner must reveal its name if it wishes to vote at a General Meeting of Shareholders, since a holder must have its nominee-held shares re-registered in its own name on the tenth day prior to the General Meeting of Shareholders (the record day).
- The rights attached to shares that are eligible for dividends, rights issues or bonus issues accrue to those persons whose names are recorded in the register of shareholders on a particular day (the record day). Dividends are paid to an account designated by the shareholder or, in the absence of an account, sent to the shareholder at the address registered with VPC.

With respect to OM shares registered in the Finnish book-entry system, please see also section "Listing of OM HEX shares on Helsinki Exchanges – APK-registered OM HEX shares".

THE FINNISH SECURITIES MARKET

Regulation of the Finnish securities market

The securities market in Finland is supervised by the FFSA. The principal statute governing the securities market is the SMA (the Finnish Securities Market Act (26.5.1989/495, as amended)). The SMA contains regulations with respect to company and shareholder disclosure obligations, admission to listing and trading of listed securities, public takeovers and insider registers, among other things. The FFSA monitors compliance with these regulations.

The SMA specifies minimum disclosure requirements for Finnish companies applying for listing on Helsinki Exchanges or making a public offering of securities in Finland. The information provided must be sufficient to enable investors to make a sound evaluation of the security being offered and the company issuing the security. Companies listed in Finland have a continuing obligation to publish regular financial information, and to inform the market of any matters likely to have a material impact on the value of their securities. With respect to OM HEX's disclosure obligations in Finland, please see section "Listing of OM HEX shares on Helsinki Exchanges".

Pursuant to the SMA, a shareholder whose holding in a listed company increases to more than two-thirds of the total voting rights attached to the shares of the company after the commencement of a public quotation of such shares must offer to purchase the remaining shares and securities entitling to shares of such a company. Under the Finnish Companies Act, a shareholder holding more than 90 percent of all of the shares and the votes attached to all the shares in a Finnish company has the right to require the minority shareholders to assign the remaining shares of such company to the said shareholder for a fair price. In addition, any minority shareholder that possesses shares that may be so redeemed by a majority shareholder is entitled to require such a majority shareholder to redeem its shares. Detailed rules apply for the calculation of the above proportions of shares and votes.

Insider regulations

A company listed in Finland is obligated to maintain an insider register. The register may be maintained by the company or the maintenance may be outsourced to the HEX group in the capacity of a central security depository. HEX provides the services through its SIRE system (insider register system), in which the required information on holdings of securities and changes therein is obtained through the book-entry system. The holdings of shares and securities entitling to shares in a company which is subject to public trade, and changes therein shall be registered in the insider register provided that the holder of the security is a member or a deputy member of the Board of Directors or of the Supervisory Board, the managing director or the deputy managing director, the auditor and deputy auditor of the company and an employee of an audit organization having the main responsibility for the audit for its accounts ("persons under duty to notify"). In addition, the holdings of persons in the custody of the persons under duty to notify and entities in which they exercise control are public. Furthermore, information on the entities in which the persons to notify exercise influence is public, whereas holdings of such entities is not public. The insider register shall be readily available to the public and everyone shall have the right to obtain extracts and copies thereof. The provisions on insiders under the SMA also apply to the central security depository and the stock exchange, irrespective of whether the securities of such a company are listed or not. Please see section "HEX– Other Information – Authorizations and Supervision – Insider Regulations" for a further description of the insider rules applicable to HEX and "Listing of OM HEX shares on Helsinki Exchanges – Information about OM HEX insider register" for information on OM HEX's duty to maintain an insider register in Finland.

The Finnish Criminal Code also contains provisions relating to the misuse of privileged or inside information and price manipulation. Breach of these provisions constitutes a criminal offense.

Disclosure of interests

If a company listed on Helsinki Exchanges receives information indicating that a shareholder's voting interest or ownership interest has reached, exceeded or fallen below five percent, ten percent, 15 percent, 20 percent, 25 percent, 33 1/3 percent, 50 percent or 66 2/3 percent of the company's issued share capital, calculated in accordance with the SMA, it must disclose such information to the public and to Helsinki Exchanges. However, the provision of the SMA on a shareholder's obligation to notify a listed company and the Finnish Financial Supervision of certain changes in its voting participation in, or its percentage ownership of, the issued share capital of a listed company is not applicable to the shareholders of foreign companies listed on Helsinki Exchanges, such as OM HEX. Instead, the shareholder's obligation to notify changes in its ownership or voting participation in OM HEX is governed by Swedish law. Please see section "Listing of OM HEX shares on Helsinki Exchanges".

Trading and settlement on Helsinki Exchanges

Trading in, and clearing of, securities on Helsinki Exchanges takes place in euro, with the minimum tick size for trading quotations being one euro cent. All price information is produced and published only in euro.

The trading system of Helsinki Exchanges, Helsinki Exchanges Automated Trading and Information System (HETI), is a decentralized and fully automated order-driven system. Trading is conducted on the basis of trading lots, which are fixed separately for each share series.

Official share trading takes place from 10:00 a.m. to 6:00 p.m. and evening trading from 6:03 p.m. to 7:30 p.m. Helsinki time on each trading day. The official closing prices are confirmed at the end of the official share trading at 6:00 p.m. Offers may be placed in the system beginning at 9:00 a.m. during a pre--trading period. Offers are matched from 9:40 a.m. to 10:00 a.m. to determine the opening quotations of the day. Contract transactions may continue to be registered during aftermarket trading from 6:03 p.m. to 6:30 p.m. and from 8:30 a.m. to 9:00 a.m. the following morning within the price limits determined at during the official share trading and the evening trading.

In block trades (trading in large lots), the buyer and the seller agree on the transaction among themselves and the price term is not restricted. Preconditions for recording block trades are that either the value of the transaction is at least ten million euro or that the transaction concerns at least two percent of the number of shares of the same class that are subject to trading, and that the value of the transaction is at least one million euro.

Trades are normally cleared and settled in the Finnish Central Securities Depository's, *(in Finnish "Suomen Arvopaperikeskus Oy", "APK"),* automated clearing and settlement system on the third trading day after the trade date unless otherwise agreed by the parties.

The Finnish book-entry securities system

General

Finland has made a gradual changeover from a certificate-based securities system to a book-entry securities system since 1 August 1991, when the relevant legislation came into effect. Use of the book-entry securities system is mandatory for shares listed on Helsinki Exchanges. HEX shares were entered into the book-entry system on 29 December 1997 and OM shares to be issued in connection with completion of the Offer will be entered into the Finnish book-entry system prior to the completion of the Offer. With respect to OM shares to be issued in connection with completion of the Offer, please see section "Listing of OM HEX shares on Helsinki Exchanges".

The book-entry securities system is centralized at APK, which provides national clearing and registration services for securities. APK maintains a central book-entry securities system for both equity and debt securities.

APK maintains a register of the shareholders of listed companies and accounts for shareholders that do not wish to utilize the services of a commercial account operator, such as a bank in Finland. The expenses incurred by APK in connection with maintaining the central book-entry securities system are borne by the issuers participating in the book-entry securities system. The account operators, which consist of credit institutions, investment services companies and other institutions licensed to act as account operators by APK (each, an "**Account Operator**"), are entitled to make entries in the book-entry register.

Registration

In order to make entries in the Finnish book-entry securities system, a security holder or such holder's nominee must open a book-entry account with APK or an Account Operator or register its securities through nominee registration. All transactions in securities registered with the book-entry securities system are executed as computerized book-entry transfers. The Account Operator confirms book-entry transfers by sending notifications of transactions to the investor holding the respective book-entry account. Investors also receive an annual statement of their holdings as of the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder or the custodian administering the assets of a custodial nominee account. Such information includes the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A custodial nominee account is identified as such in the entry. APK and the Account Operators are required to observe strict confidentiality, although certain information (e.g., the name, nationality and address of each account holder) contained in the register of shareholders maintained by APK must be made available to the public.

Each account operator is strictly liable for errors and omissions in the registers it maintains and for any unauthorized disclosure of information. However, if an account holder has suffered a loss as a result of a faulty registration or an amendment to, or deletion of, rights in respect of registered securities and the account operator is unable to compensate for such a loss, such an account holder is entitled to receive compensation from the statutory registration fund administered by APK. The fund consists of collateral contributions made by the account operators. The capital of the fund must be at least 0.000048 percent of the average of the total market value of the book-entries kept in the book-entry system during the last five calendar years, provided, however, that it is no less than EUR 20 m. The maximum compensation to be paid to a single injured party shall be equal to the amount of damages to the injured party from the same account operator, however, not more than EUR 25,000. The duty of the fund to pay damages in relation to a single damage incident is limited to EUR 10 m.

Custody of the shares and nominees

The ownership of book-entry shares shall be registered automatically in the shareholder lists maintained by APK on behalf of issuing companies. A non-Finnish shareholder may appoint a custodian to act as a nominee shareholder on its behalf. A nominee shareholder is entitled to receive dividends and to exercise all share subscription rights and other financial rights attached to the shares held in its name. It may not, however, exercise any administrative rights attached to such shares, such as the right to attend and vote at General Meetings of Shareholders of the company without first registering the holding. A beneficial owner wishing to exercise such rights must seek a temporary registration in the register of shareholders not later than ten days prior to the relevant General Meeting of Shareholders. A nominee is required to disclose to the FFSA and the relevant company on request the name of the beneficial owner of any shares registered in the name of such a nominee, where the beneficial owner is known, as well as the number of shares owned by such a beneficial owner.

Shareholders wishing to hold their shares in the book-entry securities system in their name and who do not maintain a book-entry account in Finland are required to open a book-entry account at an authorized account operator in Finland and a convertible euro account.

Subject to the completion of the Offer, an application will be made to Helsinki Exchanges to list the OM shares on the main list of Helsinki Exchanges. The listing of the OM shares on Helsinki Exchanges is subject to the approval of Helsinki Exchanges and the intention is that the listing shall occur as soon as practicable after completion of the Offer and in any event not later than by 15 December 2003. The OM shares to be issued as consideration for the tendered HEX shares shall be subject to stock exchange trading on Stockholmsbörsen. OM shall make its best efforts to cause the new OM shares to be registered on Stockholmsbörsen within five (5) business days following the Completion of the Offer. The precise dates on which listings will occur depend on the date on which the required approvals are obtained, the Offer Conditions are fulfilled or waived and the Offer is completed.

APK-REGISTERED OM HEX SHARES

General

The OM HEX shares will be listed and traded in Finland on Helsinki Exchanges. Normal procedures and regulations applicable to trading on Helsinki Exchanges and the settlement of trades will apply. The OM HEX shares to be traded on Helsinki Exchanges will be delivered to the Finnish market through the book-entry link between VPC and APK (discussed below) and registered in the Finnish book-entry system by APK pursuant to Section 26 b, Paragraph 2, and Section 27, Paragraph 3 of the Finnish Act on the Book-Entry System (17.5.1991/826) and Chapter 6.2 of the rules of APK. The APK-registered OM HEX shares will be registered in the respective shareholder's Finnish book-entry account. These OM HEX shares will be registered in the account-based system of VPC and registered in a nominee account in the Swedish account based system with APK as nominee. The APK-registration of OM HEX shares is thus not a direct holding of OM HEX shares but gives the holder a right to a corresponding number of shares registered in APK's nominee account in VPC.

Swedish laws and regulations concerning nominee accounts, registrations therein and nominees will apply to APK in its capacity as nominee account holder in Sweden acting on behalf of the holders of the OM HEX shares registered in the Finnish book-entry system from time to time. Regarding transfer, incorporation and the processing of OM HEX shares in the Finnish book-entry system, Finnish law and the rules of APK will apply to APK, the holders of APK-registered OM HEX shares and other parties involved.

The OM HEX shares, which upon the Completion of the Offer will be delivered to those holders of HEX shares who have accepted the Offer, will be registered in APK's nominee account in VPC. By accepting the Offer, the holder of HEX shares consents to the delivery of the OM HEX shares through the link between VPC and APK, whereby APK becomes the nominee in VPC with respect to the APK-registered OM HEX shares. Consequently, the provisions under Finnish law and APK's rules governing the link will become applicable. For a description of optional arrangements for the safe-keeping and registration of OM HEX shares available subsequent to the Completion of the Offer, please refer to the section "Cross-border transfer of APK-registered shares to securities being registered only in VPC", below.

Information on ownership of APK-registered OM HEX shares

Information on the ownership of the APK-registered OM HEX shares is subject to the secrecy obligation under Section 29 of the Finnish Act on the Book-Entry System and hence not public nor accessible to OM HEX without an exemption from this secrecy obligation. The OM HEX shares registered and handled in the Finnish book-entry system will be subject to the condition that OM HEX and the relevant authorities shall be entitled to receive information on the ownership of OM HEX shares, which OM HEX or the relevant authorities are entitled to receive under applicable laws and regulations, notwithstanding the secrecy obligation referred to above, either directly from APK or through VPC. APK shall be entitled to provide OM HEX and the relevant authorities with such information regarding holders of APK-registered OM HEX shares to the same extent that APK provides such information to Finnish companies under the Finnish Companies Act, including the name of the holder, personal identity number or other identification code, contact information, payment address and taxation information as well as the number of OM HEX shares held by the owner. The right to provide, obtain and use such information on ownership will be registered by APK in the issue account pursuant to Section 27, Paragraph 3 of the Finnish Act on the Book-Entry System.

Link between VPC and APK

The link is a two-way book-entry link between APK and VPC through which Swedish securities are transferred for deposit and settlement in Finland and Finnish securities are transferred for deposit and settlement in Sweden. Swedish book-entry securities transferred to Finnish book-entry accounts are handled in the Finnish book-entry system in the same manner as Finnish book-entry securities to the extent possible. However, the position of holders of APK-registered OM HEX shares may deviate from that of holders of VPC-registered OM HEX shares. Certain discrepancies and related routines are briefly described below but for more specific information you should review the applicable sections of the rules of APK. Additional information about these issues may also be obtained from APK. The link and regulations related thereto will not affect the local procedures and regulations for public trading or settlement.

General Meetings of Shareholders

In order to be entitled under Swedish law to participate in and vote at a General Meeting of Shareholders in OM HEX, the shareholder shall be registered in the shareholder's own name in OM HEX's share register maintained by VPC on the record date for the General Meeting of Shareholders. The record date for the Meeting is the date that is ten calendar days before the Meeting. Consequently, holders of APK-registered OM HEX shares shall on the record date for the Meeting be temporarily registered in OM HEX's share register maintained by VPC in order to be entitled to participate in and vote at the General Meeting of Shareholders. OM HEX's notice convening a General Meeting of Shareholders will include general information on these matters. In addition to registration for voting purposes, a notification by the shareholder regarding his or her participation in the General Meeting of Shareholders shall also be made in accordance with the instructions given by OM HEX in the notice convening such a Meeting. Please see also section "OM – Shareholders' rights – General Meetings of Shareholders".

Corporate actions

A corporate action relating to OM HEX securities, its time schedule and method of execution is carried out by VPC in accordance with Swedish law and practice. APK carries out such a corporate action in the Finnish book-entry system corresponding to the extent possible as it would according to the process and likely outcome in Sweden, and taking into account the technical operation of the Finnish book-entry system. As a result, the processing of corporate actions for holders of APK-registered OM HEX shares may deviate from that of holders of VPC-registered OM HEX securities. More specific information can be obtained in the applicable sections of the rules of APK. Additional information about these issues may be obtained from APK.

Dividends

In case of APK-registered OM HEX shares, the holder of such shares that is registered in the Finnish book-entry system on the dividend record date will be entitled to any cash dividend payments made.

Payment of cash dividends on APK-registered OM HEX shares will be received by APK from VPC in Swedish kronor. APK will exchange the payments in the foreign exchange markets and forward the payments in euro to the account operators or agents that have APK-registered OM HEX shares in their registers in accordance with the payment methods to be applied in the Finnish book-entry system. Such account operators or agents shall distribute the dividend payments to the respective holders of APK-registered OM HEX shares. The OM HEX shareholders that have APK-registered OM HEX shares will, because of the procedural delays inherent in the VPC's nominee registration system, receive any cash dividends slightly later than the OM HEX shareholders that have their shares directly registered at VPC.

With respect to Swedish withholding taxes as well as other tax issues, please see section "Taxation – Swedish Tax Considerations".

It should also be noted that due to technical reasons, a Swedish withholding tax of 30 percent will be withheld for dividends and similar payments to Swedish tax residents for OM HEX shares that are APK-registered.

Trading in APK-registered OM HEX shares

OM shares are subject to public trading on Stockholmsbörsen. Upon Completion of the Offer, trading in OM HEX shares will be effected on Helsinki Exchanges in Helsinki Exchanges' Automated Trading and Information System. APK-registered OM HEX shares may also be traded on Stockholmsbörsen and, correspondingly, VPC-registered OM HEX shares may be traded on Helsinki Exchanges, with the local settlement procedures applied respectively, provided that the seller and the purchaser furnish such instructions to the stock broker and that the stock broker has initiated a cross-border transfer to an account in VPC or APK as applicable. According to standard market practice, stock brokers usually charge higher fees for cross-border trading.

Cross-border transfer of APK-registered shares to shares being registered only in VPC

Cross-border transfer of APK-registered OM HEX shares to OM HEX shares registered only in VPC can be effected upon request by a shareholder through the relevant account operator (normally the bank or other securities institution where the holder conducts securities transactions). In conjunction with such a cross-border transfer, the number of APK-registered shares covered by the request will be transferred to such a holder's VPC-account. Cross-border transfer in accordance with the foregoing may also, in respect of holdings nominee-registered in the APK-system, be carried out by making a request to the nominee. It is also possible to transfer shares that are only registered in VPC to APK. Cross-border transfers will be effected following a request to the shareholders account operating institute (or similar organization) in Sweden. There might, however, be certain limitations with respect to such cross-border transfers as described above, for example in connection with record dates for dividends and share issues.

The account operators normally charge a fee to security holders for the cross-border transfer of securities as described above.

INFORMATION ABOUT OM HEX

Holders of APK-registered OM HEX shares will be treated comparably to other OM HEX shareholders with respect to the provision of financial and other information about OM HEX, as required by applicable laws and regulations.

Disclosure obligation of OM HEX in Finland

Regular disclosure obligation in Finland

The FFSA has granted an exemption to OM (no. 28/269/2003), pursuant to which OM may publish in Finland its annual financial statements, annual financial statement releases and interim reports prepared in accordance with Swedish laws and regulations. Pursuant to the exemption, the annual financial statements, annual financial statement releases and interim reports may be published only in English. However, at present it is the intention that OM HEX will publish such information in Finnish and Swedish as well.

OM HEX will prepare its consolidated annual financial statements and interim reports in accordance with generally accepted accounting principles in Sweden (Swedish GAAP). The parent company's accounts will be prepared in accordance with Swedish GAAP. In accordance with the conditions of the exemption, OM HEX will upon publication of interim reports, annual financial statement releases and annual financial statements explain how their contents differ from what is provided in Chapter 2, Sections 5, 6 and 6a of the SMA, and describe the principal differences between Swedish GAAP and Finnish GAAP.

In section "OM HEX – Financial information", it is stated that Finnish GAAP differs in some respects from Swedish GAAP but the impact of such differences is not significant.

Under Finnish GAAP, an acquisition paid through the issue of a company's own shares does not require that the purchase price be determined based on the market value of the issued shares. Swedish GAAP require that the purchase price is determined based on the market value of the issued shares, which often results in the recognition of goodwill and other assets at consolidation and future depreciation and amortization of such amounts.

Ongoing disclosure obligation in Finland

OM HEX's ongoing disclosure obligation is governed by the SMA and the Swedish Securities Exchange and Clearing Operations Act *(lag (1992:543) om börs- och clearingverksamhet)* as implemented by the listing agreement between OM and Stockholmsbörsen. In accordance with the requirements of the SMA and the listing agreement with Stockholmsbörsen, OM HEX will inform the market of any of its decisions and matters relating to the company or its operations that are likely to have a material impact on the value of its securities by issuing stock exchange releases. Pursuant to the rules of Helsinki Exchanges that entered into force on 1 September 2002, OM HEX will primarily comply with the rules of Stockholmsbörsen, which, for example, means that OM HEX may issue stock exchange releases in accordance with the rules of Stockholmsbörsen. Currently, OM HEX intends to issue its stock exchange releases in Finland in Finnish, Swedish and English.

The material differences between the disclosure obligations of the listing agreement with Stockholmsbörsen and the rules of Helsinki Exchanges are as follows:

- The rules of Helsinki Exchanges require the provision of information relating to companies in the same group as the listed company or its associated companies. A listed company must ensure that a decision made by the listed company's subsidiary or its associated company or a matter concerning the subsidiary or an associated company which may be apt to materially affect the value of the listed company's listed securities is made public in a stock exchange release. If a significant subsidiary or an associated company of a listed company submits a notification of its operations which is subject to the listed company's general obligation to provide information, the information shall be made public as a stock exchange release. Although there is no similar rule in the listing agreement with Stockholmsbörsen, where the decision made by the listed company's subsidiary or its associated company, or an event concerning the subsidiary or the associated company, is likely to have a material effect on the valuation of the listed company's listed securities, the listed company must publish the information under the general clause in the listing agreement with Stockholmsbörsen.
- In accordance with Helsinki Exchanges rules, changes in the company's management of its subsidiaries and associated companies must be published. In addition, the rules of Helsinki Exchanges require a listed company to make public a proposal made by the company's Board of Directors to the General Meeting of Shareholders for merging the company with another company, for dividing the company, or for placing the company in liquidation, and the decision of the General Meeting of Shareholders on such matters. Similar information shall be made public for another company, which is in the same group of companies or for an associated company in the event that the company concerned is deemed significant. Although there are no obligations under the rules of Stockholmsbörsen to make similar information public for the company's subsidiaries or associated companies, the listed company must, in some cases, publish such information pursuant to the general clause of the listing agreement with Stockholmsbörsen.
- According to the rules of Helsinki Exchanges, a listed company must make public any changes concerning the Vice President of the company. These changes may have to be published according to the general clause in the listing agreement with Stockholmsbörsen, but there is no specific rule to this effect.
- According to the rules of Helsinki Exchanges, if a commitment for the subscription of a listed company's shares, convertible bonds, option rights or bonds with equity warrants has been received before the commencement of the subscription period, it shall be made public at the latest by the commencement of the subscription period. A commitment received after the commencement of the subscription period shall also be made public. A subscription made on the basis of a commitment shall be made public after the implementation of the subscription. There is no similar obligation under the rules of Stockholmsbörsen, but a subscription commitment or guarantee would have to be set forth in any prospectus.
- According to the rules of Helsinki Exchanges, the information provided by a listed company during the period of subscription on the progress of the subscription of shares, convertible bonds, option rights, or bonds with equity warrants must be made public. After the close of the subscription period, the listed company must make public information on the number of shares subscribed for. In addition, it must make public information on the allocation of the shares that were not subscribed for in the offering. Similarly, a company must make public, after the close of the payment period, the number of shares subscribed and paid for and information on the allocation of the shares that were subscribed but not paid for in the offering. There are no similar obligations under the rules of Stockholmsbörsen, but the decision to issue new shares must be publicly announced, including information regarding the entitlement to subscribe for new shares.
- Under the rules of Helsinki Exchanges, market-making contracts are published. There is no such obligation under the rules of Stockholmsbörsen.
- Under the rules of Helsinki Exchanges, in connection with publishing information on a business acquisition, the listed company must inform the market of its holding and voting rights in the company concerned. There is no corresponding rule under the rules of Stockholmsbörsen, but such information may have to be disclosed under the general clause in the listing agreement with Stockholmsbörsen or pursuant to the Swedish Financial Instruments Trading

Act *(lag (1991:980) om handel med finansiella instrument)* or the NBK Recommendations (1994) concerning the disclosure of acquisition and transfer of shares etc. Nor are there any specified criteria for a significant business acquisition under the rules of Stockholmsbörsen in the same manner as in the rules of Helsinki Exchanges. According to the rules of Helsinki Exchanges, business acquisitions of the group companies must be published. There is no specific obligation under the rules of Stockholmsbörsen to this effect, but such disclosure may have to be made under the general clause in the listing agreement with Stockholmsbörsen.

- According to the rules of Helsinki Exchanges, a listed company must make public the information it has received on shareholder agreements in which a decision has been reached on the use of voting rights in the company or the restriction on the transfer of company shares. There is no corresponding rule in Sweden. However, shareholder agreements may under certain circumstances have to be published under the general clause in the listing agreement with Stockholmsbörsen.
- According to the rules of Helsinki Exchanges, a prospectus must be prepared in connection with a merger or demerger of a company. There is no obligation under the rules of Stockholmsbörsen that corresponds exactly to this. In Sweden, a prospectus must generally be prepared when securities are offered or the activities of the company are changed significantly in connection with a merger or de-merger.
- Under the rules of Helsinki Exchanges, a company's Board of Directors' proposal to the General Meeting of Shareholders must be published when a decision has been reached. Under the listing agreement with Stockholmsbörsen, the notice to the General Meeting of Shareholders must be published, and contain information on the matters to be dealt with at the General Meeting of Shareholders. In addition, under the listing agreement with Stockholmsbörsen, the Board's proposal must in certain cases be published immediately upon the Board's decision. For example, proposals on the issuance of securities must be published immediately after the Board has reached a decision. Other proposals by the Board may have to be published immediately under the general clause in the listing agreement. Due to the differences in these rules, certain matters decided by the Board concerning proposals to a General Meeting of Shareholders may be published later under the rules of Stockholmsbörsen than under the rules of Helsinki Exchanges.

Insider register

The FFSA has granted an exemption to OM (no. 2/270/2003), pursuant to which OM HEX is not obligated to maintain an insider register as referred to in Chapter 5, Section 5 of the SMA. OM HEX will keep the information on insiders and their holdings as required under Swedish law available on its website. For further information on insider regulations applicable to OM HEX, see "OM – Authorizations, supervision and regulatory framework – Reporting obligations and trading rules of OM employees" and "Securities Markets – The Swedish Securities Market – Disclosure of interests and insider regulations" and for information on insider regulations applicable to HEX pursuant to the SMA, see "HEX – Authorizations, supervision and regulatory framework – Insider regulation".

AUDITORS' STATEMENT

Auditors' statement by OM AB's Auditors

We, the undersigned auditors of OM AB hereby certify that we have examined the information regarding OM AB in this prospectus. The examination has been carried out in accordance with the recommendation issued by FAR (The Swedish Institute of Authorized Public Accountants) except for that we have not examined any forecasts included within the prospectus. Since the prospectus is issued in accordance with Finnish regulations a separate audit statement regarding the pro forma accounts has been submitted on page 39.

The information in the prospectus collected from the annual reports has been correctly reproduced. The information regarding the first quarter of 2003 has been reviewed by us.

Björn Fernström and Stephan Tolstoy have examined the annual reports of OM AB for the years 2000, 2001 and 2002. The audit reports for these years are without any qualifications. The information in the prospectus collected from the annual reports has been correctly reproduced.

Based on our examination, nothing has come to our attention that indicates that the prospectus does not comply with the requirements in the Swedish Companies Act and the Finnish Securities Markets Act.

Stockholm, 3 July 2003

Björn Fernström	Peter Clemedtson
Ernst & Young AB	PricewaterhouseCoopers AB

Auditor's Statement by HEX Plc's Auditor

Listing particulars

We have audited the accounting, financial statements and administration of HEX Plc (previously Helsinki Exchanges Group Plc) for the years 2000 – 2002. The auditor's reports for these years are presented in the appendices of the listing particulars.

The condensed information of the 2000 – 2002 financial statements presented in the listing particulars (pages 212-233) is based on the financial statements approved at the Annual General Meetings.

Interim report

We have reviewed the interim report of HEX Plc for the period 1.1.-31.3.2003 included in the listing particulars (pages 234-239). The review has been conducted in accordance with the recommendation regarding reviews issued by The Association of Public Accountants in Finland.

Based on our review, nothing has come to our attention that would indicate that the interim report has not been prepared in accordance with rules and regulations governing the preparation of interim reports, so that it would not give a true and fair view, as defined in the Finnish Securities Markets Act, of HEX Plc's result of operations for the period 1.1.-31.3.2003 and financial position as at 31.3.2003.

Helsinki, 3 July 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Eero Suomela
Authorized Public Accountant

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A. FINANCIAL INFORMATION – OM

BOARD OF DIRECTORS' REPORT FOR THE FINANCIAL PERIOD 1 JANUARY – 31 DECEMBER 2002

The Board of Directors and President of OM, corporate identity number 556243-8001, hereby submit the annual accounts and consolidated accounts for 2002.

OM develops, operates and supports technology solutions for companies operating in the financial, energy and commodities markets and also owns and operates exchanges and clearing houses.

OM 2002 – Group developments

Weak markets and continued adaptation of operations

The year was characterized by considerable uncertainty surrounding the global economy. Against a backdrop of weakened demand within all the markets on which it operates, OM continued to adapt its operations through cost-reduction measures. However, despite weak market conditions, the last quarter saw a number of positive business developments, including the announcement that OM will create EDX London together with LSE. At the end of the quarter, OM also won a major system and maintenance order from the world's leading electricity exchange, Nord Pool.

At the year-end total technology orders were valued at SEK 3,118 m (SEK 3,599 m), a decrease of 13 percent over the year. During the fourth quarter the order value was up 9 percent compared with the value at the end of the third quarter. On Stockholmsbörsen the OMX index fell 42 percent (20) over the year, with equity trading turnover at its lowest level since 1999. Despite this, turnover velocity in equity trading remained high in international terms.

The decrease in sales by OM's technology operations was largely due to postponed IT investments by customers within both the financial and energy market sectors. Investment levels within many financial companies have been at their lowest in many years. This is despite the fact that fundamental driving forces such as globalization, standardization and harmonization behind the growing demand for transaction technology remain strong.

To adapt its operations to a lower level of market activity, OM implemented a number of cost-reduction measures during the year. These included a group-wide cost-reduction program as well as the closure of Jiway. As a result, OM's operating income increased in 2002, despite lower revenues than last year.

EARNINGS DEVELOPMENT – GROUP

(SEK m)	Jan-March 2002	April-June 2002	July-Sept 2002	Oct-Dec 2002	Total 2002	Total 2001
Revenue	**703**	**713**	**580**	**644**	**2 640**	**3 072**
-of which technology operations	469	538	423	469	1 899	2 265
-of which Stockholmsbörsen	285	228	220	232	965	1 158
-of which parent company and other functions	31	34	31	54	150	32
-group eliminations	-82	-87	-94	-111	-374	-383
Operating expenses	**-670**	**-699**	**-623**	**-710**	**-2 702**	**-3 558**
Operating income	**42**	**23**	**-34**	**-56**	**-24**	**-453**
Income after financial items	**26**	**32**	**-47**	**-67**	**-56**	**-469**
Income after tax	**20**	**25**	**-47**	**-69**	**-71**	**-25**
Earnings per share (SEK)	**0.23**	**0.30**	**-0.56**	**-0.82**	**-0.85**	**-0.30**

Earnings development

OM's revenue fell by 14 percent to SEK 2,640 m (SEK 3,072 m) during 2002. During the fourth quarter, revenue totaled SEK 644 m (SEK 833 m). The fall in turnover during 2002 can be attributed to weaker levels of demand on OM's markets, both as regards trading on Stockholmsbörsen as well as systems sales to companies in the financial and energy markets.

OM's operating expenses fell by 24 percent to SEK 2,702 m (SEK 3,558 m) over the year, including expenditure affecting comparability of SEK 132 m (SEK 481 m) relating to cost-reductions and the closure of Jiway. During the fourth quarter operating expenses totaled SEK 710 m (SEK 687 m), including expenditure affecting comparability of SEK 75 m (-) relating to the closure of Jiway.

By the second quarter 2001, OM had already introduced a series of cost-reduction measures that over time have led to a significantly reduced cost base. Compared to the second quarter 2001, OM's operating expenses have fallen, on a quarterly basis, from SEK 865 m to SEK 635 m during the fourth quarter 2002, excluding items affecting comparability. This represents a reduction in expenses per employee of 32 percent and a decrease in operating expenses of around SEK 920 m calculated on an annual basis. The cost-reduction program implemented during the second quarter 2002 is expected to have full effect during the first quarter 2003, representing an annual saving of SEK 180 m based on operating levels during the second quarter 2002.

Income before depreciation and items affecting comparability, which include SEK 5 m (SEK 224 m) in write-downs, increased to SEK 431 m (SEK 387 m) during 2002. Depreciation during the year amounted to SEK 323 m (SEK 359 m), of which SEK 212 m (SEK 237 m) was depreciation of intangible fixed assets. Income before depreciation and write-downs increased to SEK 304 m (SEK 130 m) during the year.

Operating income for the year totaled SEK -24 m (SEK -453 m). This figure includes items affecting comparability comprising total restructuring expenses of SEK -132 m (SEK -481 m), of which SEK 57 m (SEK 73 m) relates to the cost-reduction program and SEK 75 m (-) to the closure of Jiway. Income also includes the result from the sale of shares in Orc Software of SEK 75 m (SEK 95 m).

Group net financial items totaled SEK -32 m (SEK -16 m), the comparatively lower level due to increased borrowing. Income after financial items amounted to SEK -56 m (SEK -469 m).

Income after tax for the year was SEK -71 m (SEK -25 m). The group's tax expense for the year was influenced by the fact that set-offs cannot be carried out between operations in different countries. After hedging, exchange rate fluctuations had a marginal net impact on group income during 2002.

During the fourth quarter operating income before depreciation totaled SEK 30 m (SEK 237 m), including items affecting comparability of SEK 70 m (SEK 0 m). Income after financial items during the quarter was SEK -67 m (SEK 144 m) and income after tax totaled SEK -69 m (SEK 107 m).

OM 2002 – performance per business area

OM has five business areas, of which the first four constitute OM's technology operations:

Broker Services – Systems solutions and back-office-for-hire services to banks and brokerage firms.

Energy Market Solutions – Systems solutions to energy markets as well as operating the energy exchanges, UKPX and NGX.

Financial Market Solutions – Systems solutions to exchanges, clearing houses, central securities depositories, banks and brokerage firms.

Global Services – Systems operations, primarily for exchanges and clearing houses.

Stockholmsbörsen – The Nordic region's leading equities and derivatives exchange.

Technology operations

Weak markets, postponed investment decisions by customers and lower internal sales levels have characterized OM's technology operations throughout 2002. Revenue from OM's technology operations fell by 16 percent to SEK 1,899 m (SEK 2,265 m). In order to adapt operations, cost-reduction measures were implemented during the year and expenses fell by 13 percent to SEK 1,939 m (SEK 2,219 m), year-on-year. During the fourth quarter revenue totaled SEK 469 m (SEK 637 m).

License, support and project revenue totaled SEK 1,057 m (SEK 1,330 m). Revenue from Facility Management Services, operation of customers' systems solutions, totaled SEK 584 m (SEK 689 m).

At the period-end the order value was SEK 3,118 m (SEK 3,599 m), of which orders for SEK 1,135 m (SEK 1,220 m) are due for delivery in the coming 12 months. The total order value to Stockholmsbörsen decreased to SEK 782 m (SEK 957 m), primarily due to the closure of Jiway and the formation of EDX London.

Operating income before depreciation within OM's technology operations amounted to SEK 169 m (SEK 236 m), representing an operating margin of 13.0 percent (12.5), excluding internal sales. This includes SEK 75 m (SEK 95 m) in income from the sale of shares in Orc Software and SEK -64 m (SEK -34 m) from losses in UKPX. During the fourth quarter operating income before depreciation totaled SEK 39 m (SEK 165 m), including SEK 0 m (SEK 95 m) from the sale of shares in Orc Software.

Internal sales from OM's technology operations to Stockholmsbörsen fell to SEK 241 m (SEK 376 m) over the year, primarily due to the closure of Jiway. Investments in R&D were SEK 240 m (SEK 309 m), or 13 percent (13) of turnover, of which SEK 132 m (SEK 262 m) was capitalized. Common functions within technology operations comprise mainly sales and marketing, expenses that are not included in the individual business area results shown below.

Revenue within the **Broker Services** business area amounted to SEK 287 m (SEK 376 m). Income before depreciation totaled SEK 40 m (SEK -108 m). The reduced revenues can be attributed to restructuring Jiway, lower levels of revenue from customer projects and lower transaction-based revenue from back-office-for-hire due to falling turnover on Stockholmsbörsen. Despite this revenue reduction, income within this business area improved due to a reduction in costs following the restructuring measures implemented over the year. New systems sales and facility management services during 2002 included Länsförsäkringar Bank in Sweden, Monte Paschi Finance in Italy and UBS Global Asset Management in the UK.

Revenue within the **Energy Market Solutions** business area amounted to SEK 292 m (SEK 299 m). Income before depreciation was SEK -40 m (SEK 69 m). The primary reason for the lower income level was the loss in UKPX, the UK's leading electricity exchange, which had an SEK -64 m (SEK -34 m) impact on income during the reporting period. NGX, North America's leading gas exchange, increased its trading by 14 percent with good levels of profitability.

In June OM signed a new contract with Nord Pool covering support and maintenance of OM's PowerCLICK™ system. In December OM also signed a contract with Nord Pool for the provision and maintenance of the SECUR™ clearing platform. In conjunction with this new contract, OM acquired the remaining 50 percent of the shares in Power Clearing Systems (PCS) from NOS. In so doing, OM now has assumed complete customer responsibility for Nord Pool in relation to existing and future contracts. The purchase sum amounted to SEK 99 m and corresponds to 50 percent of the existing contract value within the company.

Over the course of the year a number of smaller orders were received for energy market systems, including CEGEDEL in Luxembourg and Wienstrom/Wiengas in Austria.

Revenue within the **Financial Market Solutions** business area totaled SEK 793 m (SEK 1,050 m). Income before depreciation amounted to SEK 220 m (SEK 386 m). Postponed investment decisions by exchanges, clearing houses, banks and brokerage firms had a negative impact on both sales and income in this business area during 2002. Major cost-reduction measures were implemented during the year.

In January OM launched a new system, EXIGO CSD™, for settlement and other CSD financial services. The SFE Corporation in Sydney was the first customer to purchase EXIGO CSD™. Delivery of the system is expected to be complete by the end of 2003.

During the reporting period OM extended and expanded the scope of its contracts with Australian Stock Exchange, Borsa Italiana and BrokerTec. October saw the operational launch of OM's SAXESS™ at the National Association of Securities Dealers (NASD) in Washington, DC.

The formation of EDX London in collaboration with LSE means that trading and clearing on EDX London will take place via OM London Exchange's existing platforms, CLICK™ and SECUR™. A separate agreement was also signed with LSE to provide systems solutions, via CLICK™, for its covered warrants trading.

Over the course of the year a number of smaller orders were received regarding systems solutions to banks and brokerage firms, including Bayerische Landesbank and West LB in Germany, Vanguard Brokerage Services in the USA and BSI in Switzerland.

Revenue within the **Global Services** business area totaled SEK 411 m (SEK 439 m). This decrease was due primarily to the closure of Jiway. Income before depreciation totaled SEK 66 m (SEK 20 m), the increase mainly attributable to the implementation of rationalization measures.

OM opened three additional operating hubs during the year in Sydney, in Stockholm and in New York. OM also introduced systems operations for SFE Corporation in Sydney as well as Oslo Børs. With effect from the start of operations at EDX London, expected to be during the second quarter 2003, OM will be responsible for the systems operations of its trading and clearing systems, based on OM's CLICK™ and SECUR™. In 2002, OM also signed a comprehensive facility management contract with Nord Pool.

REVENUE AND INCOME PER BUSINESS AREA – OM'S TECHNOLOGY OPERATIONS*

REVENUE IN SEK m	**Oct-Dec 2002**	**Oct-Dec 2001**	**Jan-Dec 2002**	**Jan-Dec 2001**
Broker Services	75	64	287	376
Energy Market Solutions	64	99	292	299
Financial Market Solutions	202	249	793	1 050
Global Services	101	128	411	439
Other items **	42	140	224	242
Eliminations	-15	-43	-108	-141
Total – technology operations	**469**	**637**	**1 899**	**2 265**

OPERATING INCOME BEFORE DEPRECIATION (EBITDA)				
Broker Services	16	-15	40	-108
Energy Market Solutions	-21	29	-40	69
Financial Market Solutions	65	114	220	386
Global Services	17	5	66	20
Common functions***	-45	-68	-219	-246
Other items **	7	100	102	115
Total – technology operations	**39**	**165**	**169**	**236**

* All financial information up to the introduction of the new organization, January 2002, is pro forma.
** Includes sale of shares in Orc Software, as well as the associated company participation from Orc Software.
***Common functions will in OM's technology operations comprise primarily sales and marketing expenses.

Stockholmsbörsen

The equity market was extremely turbulent throughout 2002. At the year-end Stockholmsbörsen's OMX index had fallen 42 percent (20) over the year. Falling share prices led to considerably lower turnover levels in SEK terms year-on-year, despite the fact that trading activity levels continued to be relatively high.

Stockholmsbörsen's revenue in 2002 totaled SEK 965 m (SEK 1,158 m). The fall in trading revenue was largely due to reduced equity trading turnover as well as lower option premiums, largely necessitated by falling share prices. Issuers' revenue, i.e. fees paid by companies listed on the exchange, increased during 2002 largely due to the fee increase introduced at the start of the year. Revenue generated from information sales totaled SEK 117 m (SEK 131 m). During the fourth quarter Stockholmsbörsen's income amounted to SEK 232 m (SEK 280 m).

Average daily equity turnover fell during the year on Stockholmsbörsen to SEK 10.8 billion (SEK 16.0 billion). Turnover velocity for equity trading was 122 percent (134) – a high level in international terms. The average daily number of equity transactions was 39,477 (42,512). The number of derivatives contracts traded on Stockholmsbörsen and OM London Exchange totaled 243,683 (250,943) contracts per day. The average equity option premium amounted to SEK 532 (SEK 1,066) per contract.

Stockholmsbörsen's operating income before depreciation amounted to SEK 348 m (SEK 303 m) on which Jiway had an SEK -75 m (SEK -214 m) impact. During the fourth quarter operating income before depreciation was SEK 67 m (SEK 108 m) of which Jiway's impact was SEK -19 m (SEK -17 m). Stockholmsbörsen's expensed R&D investments during the year totaled SEK 14 m (SEK 27 m).

During the year Stockholmsbörsen changed its credit insurance structure, which increased its expenses during the fourth quarter. This has not affected OM's total expenses. Under the new insurance solution, Stockholmsbörsen purchases its insurance via another OM company, OM Capital Insurance AG, which in turn is insured externally. Previously, Stockholmsbörsen purchased its insurance directly through an external insurer. During the fourth quarter Stockholmsbörsen's income was charged SEK 31 m (SEK 9 m), of which SEK 15 m represented a retrospective premium. In the future the quarterly expense will be approximately SEK 16 m, with the insurance premium included as income in OM Capital Insurance AG, under parent company and other functions.

In December plans were announced to create a new marketplace for trading and clearing in equity derivatives, EDX London, in collaboration with LSE.

During the year Stockholmsbörsen took a number of measures to improve confidence in the stock market, including the installation of a new surveillance system and the introduction of new exchange listing requirements.

In October a decision was taken to close down Jiway, which had been part of Stockholmsbörsen business area throughout 2002. The closure of Jiway will be completed during January 2003 and this is expected to reduce both Stockholmsbörsen and OM's operating expenses by around SEK 80 m compared to 2002.

Parent Company

The primary function of OM is to manage the group. Net sales were SEK 81 m (SEK 4 m), of which SEK 75 m (SEK 2 m) resulted from internal sales. Increases in internal sales can be attributed to the fact that from 2002, the parent company holds rental contracts for OM's premises in Sweden. Income before appropriations and tax totaled SEK -85 m (SEK -627 m). Liquid assets were SEK 0 m (SEK 2 m). No investments were made during the year, and the company's intangible assets were disposed of in OM's technology operations.

REVENUE AND INCOME

REVENUE IN SEK m	Oct-Dec 2002	Oct-Dec 2001	Jan-Dec 2002	Jan-Dec 2001
Technology operations, of which	469	637	1 899	2 265
License-, support- and project revenue	282	334	1 057	1 330
Facility Management Services	142	166	584	689
Other revenue	45	137	258	246
Stockholmsbörsen, of which	232	280	965	1 158
Trading revenue	142	174	583	757
Issuers' revenue	43	44	174	158
Information sales	15	29	117	131
Other revenue	32	33	91	112
Parent Company and other functions*	54	11	150	32
Group eliminations**	-111	-95	-374	-383
GROUP TOTAL	**644**	**833**	**2 640**	**3 072**
OPERATING INCOME BEFORE DEPRECIATION (EBITDA)				
Technology operations	39	165	169	236
Operating margin, %	8,3	25,9	8,9	10,4
Operating margin excl. internal sales %	12,3	30,4	13,0	12,5
Stockholmsbörsen***	67	108	348	303
Operating margin, %	28,9	38,6	36,1	26,2
Parent Company and other functions*	-6	-36	-86	-152
Items affecting comparability	-70	-	-127	-257
GROUP TOTAL	**30**	**237**	**304**	**130**
OPERATING INCOME AFTER DEPRECIATION				
Technology operations	-17	119	-40	46
Stockholmsbörsen***	53	81	287	162
Parent Company and other functions*	-17	-43	-139	-180
Items affecting comparability	-75	-	-132	-481
GROUP TOTAL	**-56**	**157**	**-24**	**-453**

* Parent company and other functions includes primarily Treasury AB, OM Capital Insurance AG and XACT Fonder AB in addition to the parent company.

** Internal sales from OM's technology operations, primarily to OM's exchanges, of which SEK 253 m (SEK 383 m) in 2002, SEK 59 m (SEK 95 m) in Oct – Dec.

*** Jiway's impact on income in 2002 was SEK -75 m (SEK –214 m), of which Oct – Dec SEK -19 m (SEK –17 m).

DEPRECIATION

AMOUNTS IN SEK M (OF WHICH GOODWILL)	Oct-Dec 2002		Oct-Dec 2001		Jan-Dec 2002		Jan-Dec 2001	
Technology operations	56	(20)	46	(13)	209	(77)	190	(48)
Stockholmsbörsen	14	(13)	27	(19)	61	(52)	141	(70)
Parent Company and other functions	11	(-)	7	(-)	53	(-)	28	(-)
Write-downs*	5*	(-)	-	(-)	5*	(-)	224	(-)
GROUP TOTAL	**86**	**(33)**	**80**	**(32)**	**328**	**(129)**	**583**	**(118)**

*Refers to write-downs of assets in Jiway. Recorded in the income statement as closing costs among items affecting comparability.

INVESTMENTS IN R&D

AMOUNTS IN SEK M (OF WHICH EXPENSED)	Oct-Dec 2002		Oct-Dec 2001		Jan-Dec 2002		Jan-Dec 2001	
Technology operations	66	(25)	102	(70)	240	(132)	309	(262)
Stockholmsbörsen	3	(3)	4	(4)	14	(14)	27	(27)
Jiway	-	(-)	-	(-)	-	(-)	58	(0)
GROUP TOTAL	**69**	**(28)**	**106**	**(74)**	**254**	**(146)**	**394**	**(289)**

OM 2002 – Notes to group balance sheet and cash flow

Notes to the group's balance sheet and financial position

During the year, OM's total assets decreased by SEK 1,065 m to SEK 4,920 m (SEK 5,985 m) at the year-end. The equity/assets ratio increased to 41 percent (37).

Intangible fixed assets of SEK 1,247 m (SEK 1,317 m) include SEK 903 m (SEK 982 m) of consolidated goodwill, most of which relates to the acquisition of the Stockholm Stock Exchange in January 1998. The remaining intangible assets of SEK 344 m (SEK 335 m) comprise development expenses carried forward for those systems marketed by OM. These are depreciated over 3-5 years and valuations are made on an ongoing basis using prevailing market conditions.

The group's tangible fixed assets totaled SEK 475 m (SEK 521 m). Financial fixed assets decreased to SEK 852 m (SEK 1,474 m) due primarily to participations in associated companies relating to the SEK 300 m reduction in the share capital of NLK as well as the redistribution of the employee stock option program. The market value of OM's 30 percent holding in Orc Software (4.5 m shares) amounted to SEK 304 m at the period-end; the book value of this holding is SEK 81 m. OM owns 15.6 percent of the share capital in Helsinki Exchanges; the book value of this holding is SEK 72 m. OM's employee stock option program has had a SEK -142 m (SEK -133 m) impact on shareholders' equity. During the year a dividend of SEK 84 m was paid out to shareholders.

At the end of the year OM's interest-bearing net debt was SEK 669 m (SEK 119 m). The year-on-year change is due in part to the redistribution of collateral for OM's employee stock option program, which has reduced interest-bearing assets by SEK 439 m. Interest-bearing net assets have also been affected by cash flow from operations, shareholders' dividends and the closure of Jiway. Interest-bearing financial assets totaled SEK 1,389 m (SEK 2,013 m), of which SEK 109 m (SEK 359 m) are financial fixed assets. Interest-bearing financial liabilities totaled SEK 2,058 m (SEK 2,132 m) of which SEK 256 m (SEK 55 m) are long-term. Available credit facilities were SEK 3,700 m (SEK 2,910 m) of which SEK 2,049 m (SEK 2,060 m) has been utilized. The lifetime of the loan portfolio was extended through a long-term credit of SEK 200 m.

Notes to the group cash flow

Cash flow from current operations, that is, operational cash flow, amounted to SEK 89 m (SEK -297 m) during the year and consisted of the group's operating income of SEK -24 m (SEK -453 m) adjusted for non-cash items as well as for financial items, tax paid and changes in working capital. Adjustments have also been made, primarily relating to income from the sale of shares in Orc Software (reported under investment operations) as well as to restructuring expenses concerning Jiway. Some restructuring expenses charged against revenue in 2001 impacted cash flow in 2002. Cash flow from investment operations, i.e. net investments during the year, totaled SEK -158 m (SEK -718 m) in 2002.

Cash flow from financing operations totaled SEK -310 m (SEK 677 m), comprising a dividend payment to shareholders of SEK 84 m (SEK 504 m) and the change in financial receivables and liabilities. Liquid assets have decreased by SEK 379 m (SEK 338 m) during the year.

OM 2002 – Future performance and financial targets

Future developments

OM's markets are considered to be growth markets. The underlying need for systems solutions that increase the efficiency of the infrastructure of financial and energy market is great. In focusing on its unique core competence within transaction technology, its well-known brand, and its strong, long-term relationships with both customers and partners, OM is well positioned for future growth. The key is to continue to gain market shares and participate in strategically important structural deals.

2001 and 2002 were both characterized by weak demand in all the markets on which OM operates. If these markets are further weakened, OM will continue to adapt its operations through more rationalization and cost-efficiency measures. At the same time it is vital to maintain consistent high quality towards existing customers. It is also important to continue to invest in research and development while retaining capacity within the company in order to uphold OM's strong position for when demand picks up.

Financial targets – Growth with focus on profitability

OM's financial target during recent years, the 20/20 target, prescribes that over time group revenue should grow at least 20 percent at the same time as the return on shareholders' equity should be at least 20 percent. For the last five years OM's revenue has increased, on average, by 22 percent per year while the return on shareholders' equity has been 11 percent.

Since the 20/20 target was introduced in January 1995, the market interest rate has dropped significantly. OM's relative targets have thus increased sharply, while the market's required rate of return has fallen. At the same time, OM has also grown considerably as a company, group turnover having grown from SEK 600 m in 1994 to SEK 2,640 m in 2002. OM will abandon the 20/20 target but will continue to focus on high growth and high profitability.

OM 2002 – Other significant information

EDX London

In December OM and LSE announced the formation of a new international marketplace for equity derivatives trading – EDX London. The new operation will be based on the derivatives business of OM's subsidiary in London, OM London Exchange. EDX London will, together with London Clearing House, expand the product range and create new business opportunities, initially through the development of clearing services for the growing British OTC market in equity derivatives.

EDX London will be owned by OM through Stockholmsbörsen (24 percent) and LSE (76 percent). Upon completion of the deal EDX London will pay approximately SEK 340 m (£24 m) in consideration to OM for the assets contained within OM London Exchange's equity derivatives business. For OM the transaction will have a net impact on income of approximately SEK 190 m during 2003. In addition to that portion of EDX London's future income that OM will receive through its 24 percent ownership, as agreed, Stockholmsbörsen will receive an annual percentage of EDX London's future revenue from Swedish equity derivatives. Based on 2002 revenue and expenditure levels for OM London Exchange's equity derivatives business, the formation of EDX London will have a neutral effect on OM's operating income. This includes the annual percentage that Stockholmsbörsen will receive from EDX London's revenue from Swedish equity derivatives, but excludes the revenue effects of the transaction as well as the income from OM's technology operations on selling the systems and facility management services to EDX London and LSE. Revenue from OM London Exchange's derivatives business totaled SEK 108 m (SEK 152 m) in 2002, and operating income excluding depreciation amounted to SEK 16 m (SEK 35 m).

XACT Fonder

During 2002 capital under management in XACT Fonder fell from SEK 1,082 m to SEK 825 m. This decrease was due largely to falling share prices, with the OMX index falling 42 percent during the year. The number of units in the fund did, however, increase by 33 percent during the year, from 12.5 m to 16.7 m units. During the year XACT Fonder hired Handelsbanken to perform its capital management. At the same time, a decision was made to close down the subsidiary Lendtech.

Number of people employed by OM

The number of employees in the group totaled 1,633 (1,583) at the year-end of which 491 (474) were employed outside of Sweden. Some 1,386 (1,352) people were employed within OM's technology operations, 216 (200) within

Stockholmsbörsen, including OM London Exchange and 31 (31) within the parent company. The number of consultants employed by OM during the year fell to 89 (197).

Employee stock option program

Valuation and reporting of employee stock option programs is the subject of much discussion today. In light of the uncertainty surrounding these issues, and while awaiting recommendations from the International Accounting Standards Board (IASB) and the Swedish Financial Accounting Standards Council, OM is providing information in accordance with the statement from the Swedish Financial Accounting Standards Council (December 2002).

In May 2002 the Board of Directors of OM decided to introduce a new stock option program aimed at all group employees, regarding existing shares. The value of the options is less than 2 percent of OM's total payroll expense. The options are allocated to employees at no charge and have an exercise price of SEK 71, which corresponds to 110 percent of the average share price during a reference period prior to the allocation day. The options become successively available to the holder with a third each per year with the first installment on 1 June 2003. The lifetime is seven years. Each option represents one share and around 733,000 shares in total are covered by the program, which means a theoretical dilution of 0.9 percent. In total, 3.2 m employee stock options will have been allocated through the years 2000 – 2002, of which 2.6 m remain outstanding. The program is aimed at attracting and retaining competent employees as well as increasing the focus on value creation within the company.

To provide a hedge for its stock option program, OM entered into a swap transaction in 2000 with a third party for the delivery of existing shares. The transaction, which can be described as a synthetic repurchase of its own shares, means that OM has hedged against the risk of an increase in the OM share price but not a decrease. The fall in OM's share price from SEK 371 in the summer of 2000 to SEK 41.60 on 31 December 2002 has resulted in a reduction in shareholders' equity of SEK 461 m. During 2002 OM changed counterpart in its swap transaction, which led to the realization of this price decrease. As the share price decrease had been previously secured through a deposit, this redistribution has increased financial net debt by SEK 439 m.

Operations under closure

To facilitate the analysis of financial information, in accordance with recommendation 19 (RR 19) of the Swedish Financial Accounting Standards Council, Jiway has been designated as a business activity under closure. In October a decision was made to close down Jiway, which is expected to reduce OM's annual operating expenses by SEK 80 m during 2003, compared with 2002. The majority of the closure expenses of SEK 94 m, including remaining operational expenses for the fourth quarter of SEK 19 m, have been reported during the fourth quarter 2002.

The work of the Board of Directors 2002

During the year the Board of Directors held 13 meetings. In addition, work was carried out within the committees specifically linked to the Board: the Auditing Committee and the Remuneration Committee.

Legal disputes

OM's technology operations are currently involved in two legal disputes. One relates to a systems delivery and the other to payments regarding a licensing agreement. In December, Stockholm City Court cleared OM of all charges in a case in which OM had been sued for damages relating to a previous joint venture agreement. OM had contested these demands and the Court ruled in OM's favor. The decision has not been appealed.

With regards to Stockholmsbörsen, it was announced in June that Stockholmsbörsen had been sued by a number of members concerning a demand for the repayment of value added tax. Stockholmsbörsen has contested these demands.

Last year an expense provision of SEK 18 m was made relating to two ongoing taxation disputes. The provision remains unchanged in the financial statements as no court decision was made in 2002. During 2002 OM's associated company NLK lost a taxation dispute in the County Court. NLK has appealed the decision in the Administrative Court of Appeal. No provision has been made, as the dispute is not considered to have an impact on OM's financial results. No other current disputes, either individually or collectively, are considered to pose any material threat to the group's commercial operations, its financial position or its net income.

Accounting principles

These financial statements have been prepared in accordance with the Swedish Financial Accounting Standards Council Recommendation RR 20 on Interim Reporting. Due to the reorganization that has been implemented, the presentation of the income statement has changed from that of 2001 and a number of foreign subsidiaries have been reclassified with effect from 1 January 2002. The same accounting principles have been applied as those in OM's Annual Report 2001, with the following additions: The following new recommendations have come into effect during 2002: consolidated accounting (RR 1:00); intangible assets (RR 15); provisions (RR 16); write-downs (RR 17); loan expenses (RR 21); and close proximity (RR 23). The application of RR 1:00 has not resulted in any retroactive recalculations of earlier acquisitions. The application of these recommendations has had no material effect on the accounts.

A new internal price setting structure came into effect in January 2002. Certain internal agreements have been successively renegotiated during the year. These have had a marginal effect on the income for the year in the respective business areas.

With effect from January 1, 2003 OM will apply the following new recommendations issued by the Swedish Financial Accounting Standards Council: Presentation of financial reports (RR 22); Segment reporting (RR 25); Events post balance sheet date (RR 26) and Financial instruments (RR 27). These recommendations will require an increased level of disclosure within OM's financial reporting. Additional recommendations from the Swedish Financial Accounting Standards Council come into effect in 2003 but relate to areas outside the scope of OM's operations and therefore have no impact on the presentation of OM's financial statements.

Annual General Meeting and proposed distribution of earnings

Annual General Meeting

The Annual General Meeting will take place on Wednesday, March 19, 2003 at 17.30 CET in Berwaldhallen, Stockholm.

Proposed distribution of earnings

As shown in the consolidated balance sheet, the funds available for distribution by the group amount to SEK 216 m (SEK 242 m). No allocation to restricted reserves is required. The Board proposes that the retained earnings of SEK 218 m (SEK 88 m) at its disposal in the Parent Company, be distributed as follows:

(SEK m)	
Dividend to shareholders, SEK 1 per share	84
To be carried forward	134
Total	**218**

Stockholm, 28 January 2003

OM AB
The Board of Directors

INCOME STATEMENT

	Group			Parent Company		
Amounts in SEK m	**2002**	**2001**	**2000**	**2002**	**2001**	**2000**
REVENUE, note 1, 2, 3						
Net sales, of which	2 640	3 072	3 152	81	4	4
Own work capitalized	80	-	-	-	-	-
Total REVENUE	**2 640**	**3 072**	**3 152**	**81**	**4**	**4**
EXPENSES, note 1						
External expenses, note 12						
Premises	-220	-227	-134	-83	-8	-7
Marketing expenses	-54	-89	-123	-6	-11	-13
Consultancy expenses, note 5	-289	-495	-472	-39	-67	-65
Operational and maintenance expenses, IT	-272	-440	-307	-7	-2	-1
Insurance premiums	-20	-37	-42	-	-	-
Synthetic options, note 6	-	-	-30	-	-	-30
Other operating expenses	-221	-282	-218	-10	-36	-17
Personnel expenses, note 6	-1 171	-1 148	-909	-62	-76	-60
Depreciation, note 13	-194	-241	-131	-3	-26	-1
Depreciation, goodwill, note 13	-129	-118	-98	-	-	-
Items affecting comparability, note 8	-132	-481	5	-	-538	-95
Total OPERATING EXPENSES	**-2 702**	**-3 558**	**-2 459**	**-210**	**-764**	**-289**
Participations in associated companies' income, note 10	38	33	10	-	-	-
OPERATING INCOME	**-24**	**-453**	**703**	**-129**	**-760**	**-285**
Financial items, note 9, 24	-32	-16	40	44	133	615
Income after financial items	**-56**	**-469**	**743**	**-85**	**-627**	**330**
Appropriations	-	-	-	82	-	13
Tax on net income, note 11	-15	233	-127	42	225	49
Minority interest	0	211	114	-	-	-
NET INCOME IN REPORTING PERIOD	**-71**	**-25**	**730**	**39**	**-402**	**392**
Number of shares, m	84.041	84.040	84.035	84.041	84.040	84.035
Number of shares after full conversion, m	84.819	84.819	84.819	84.819	84.819	84.819
Earnings per share SEK, note 31	-0.85	-0.30	8.69	-	-	-
Earnings per share after full conversion, SEK, note 31	-0.85	-0.30	8.61	-	-	-

INCOME STATEMENT (WITH OPERATIONS UNDER CLOSURE SHOWN SEPARATELY)

	2002			2001			2000		
	Operations			Operations			Operations		
Amounts in SEK m	Current operations	under closure*	Total	Current operations	under closure*	Total	Current operations	under closure*	Total
REVENUE									
Net sales, of which	2 637	3	2 640	3 062	10	3 072	3 152	0	3 152
Own work capitalized	80	-	80	-	-		-		-
Total REVENUE	**2 637**	**3**	**2 640**	**3 062**	**10**	**3 072**	**3 152**	**0**	**3 152**
EXPENSES									
External expenses									
Premises	-214	-6	-220	-215	-12	-227	-122	-12	-134
Marketing expenses	-53	-1	-54	-75	-14	-89	-69	-54	-123
Consultancy expenses	-273	-16	-289	-436	-59	-495	-376	-96	-472
Operational and maintenance expenses, IT	-244	-28	-272	-334	-106	-440	-254	-53	-307
Insurance premiums	-20	-	-20	-37	-	-37	-42	-	-42
Synthetic options	-	-	-	-	-	-	-30	-	-30
Other operating expenses	-211	-10	-221	-220	-62	-282	-207	-11	-218
Personnel expenses	-1 154	-17	-1 171	-1 081	-67	-1 148	-871	-38	-909
Depreciation	-190	-4	-194	-188	-53	-241	-129	-2	-131
Depreciation, goodwill	-129	-	-129	-118	-	-118	-98	-	-98
Items affecting comparability	-57	-75	-132	-73	-408	-481	5	-	5
Total OPERATING EXPENSES	**-2 545**	**-157**	**-2 702**	**-2 777**	**-781**	**-3 558**	**-2 193**	**-266**	**-2 459**
Participations in associated companies' income	38	-	38	33	-	33	10	-	10
OPERATING INCOME	**130**	**-154**	**-24**	**318**	**-771**	**-453**	**969**	**-266**	**703**
Financial items	**-31**	**-1**	**-32**	**-17**	**1**	**-16**	**39**	**1**	**40**
Income after financial items	**99**	**-155**	**-56**	**301**	**-770**	**-469**	**1 008**	**-265**	**743**
Tax on net income	-15	0	-15	24	209	233	-165	38	-127
Minority interest	0	0	0	43	168	211	7	107	114
NET INCOME IN REPORTING PERIOD	**84**	**-155**	**-71**	**368**	**-393**	**-25**	**850**	**-120**	**730**
Number of shares, m	84.041		84.041	84.040		84.040	84.035		84.035
Number of shares after full conversion, m	84.819		84.819	84.819		84.819	84.819		84.819
Earnings per share, SEK	1.00		-0.85	4.38		-0.30	10.1		8.69
Earnings per share after full conversion, SEK	1.00		-0.85	4.38		-0.30	10.0		8.61

* Operations under closure refers to Jiway (for more information see Note 4).

Notes to the consolidated income statement

Group revenue
Group net sales fell 14 percent to SEK 2,640 m (SEK 3,072 m) of which SEK 80 m (SEK 0 m) has been capitalized for own work. In the item "Own work capitalized", revenue is recognized from work carried out during the financial year on company assets. The group's different revenue sources are discussed in the notes on each business area.

Premises expenses
Premises expenses fell from SEK 227 m to SEK 220 m during the year. The main reason for this decrease was the restructuring of Jiway.

Marketing expenses
Marketing expenses fell 39 percent during the year, from SEK 89 m to SEK 54 m, largely as a consequence of the restructuring of Jiway as well as the implementation of group-wide cost-efficiency measures.

Consultancy expenses
Consultancy expenses fell 42 percent year-on-year. This was due primarily to the implementation of group-wide cost-efficiency measures as well as reduced levels of activity within OM's technology operations. The number of consultants employed by OM fell 55 percent, from 197 at the end of 2001 to 89 at the end of 2002.

Operating and maintenance expenses
Operating and maintenance expenses fell 38 percent year-on-year largely as a consequence of the restructuring of Jiway as well as the implementation of company-wide cost-efficiency measures.

Insurance premiums
Insurance premiums relate to the cost of a capital insurance policy regarding the clearing operations on OM's exchanges. The comparatively lower level in 2002 was due to a new credit insurance structure for Stockholmsbörsen.

Synthetic options
The lifetime of the synthetic options program launched in October 1995 expired in October 2000. No synthetic options have remained in the company after this date.

Other external expenses
Other external expenses comprise mainly office and travel expenses. The year-on-year decrease of 22 percent was due largely to the implementation of group-wide cost-efficiency measures as well as to the closure of Jiway.

Personnel expenses
Personnel expenses totaled SEK 1,171 m (SEK 1,148 m) during 2002. At the year-end OM had 1,633 (1,583) employees, of which 491 (474) were employed outside of Sweden.

Depreciation
OM's depreciation expenses, excluding goodwill, fell 20 percent over the year, primarily due to the closure of Jiway and the continued high rate of depreciation.

Depreciation goodwill
OM's depreciation expenses related to goodwill increased to SEK 129 m (SEK 118 m) with the increase attributable primarily to exchange rate fluctuations.

Items affecting comparability
Items affecting comparability amounted to SEK -132 m (SEK -481 m), of which SEK 57 m related to expenses incurred in the implementation of group-wide cost-efficiency measures and SEK 75 m to the closure of Jiway.

Financial items
Group net financial items totaled SEK -32 m (SEK -16 m). This year-on-year decrease is primarily due to increased borrowing.

Tax
The group's tax expense for the year was due to the fact that set-offs cannot be carried out between operations in different countries.

Minority interests
Minority interests during 2000 and 2001 primarily comprised Morgan Stanley's portion of Jiway's losses up to and including the third quarter 2001. Other minority interests included NGX (up to and including January 2001) and Orc Software (up to and including September 2000).

Earnings per share
Earnings per share have been calculated from a weighted average of the number of shares during the period.

BALANCE SHEET

Amounts in SEK m	Group 2002	Group 2001	Group 2000	Parent Company 2002	Parent Company 2001	Parent Company 2000
ASSETS						
Fixed assets, note 27						
Intangible fixed assets, note 13						
Goodwill	903	982	947	-	-	-
Other intangible assets	344	335	447	2	67	3
Tangible fixed assets, note 13						
Equipment	475	521	310	0	0	0
Financial fixed assets						
Capital participations in associated companies, note 7, 10	263	542	473	-	-	-
Shares in group companies, note 14	-	-	-	2 669	2 594	3 065
Other long-term securities holdings, note 15	93	77	77	4	4	4
Deferred tax receivable, note 11	253	315	46	-	76	-
Other long-term receivables, note 16, 26	243	540	170	14	308	-
Total fixed assets	**2 574**	**3 312**	**2 470**	**2 689**	**3 049**	**3 072**
Current assets, note 26						
Short-term receivables						
Accounts receivable	359	507	456	0	0	0
Receivables from group companies	-	-	-	566	776	1 473
Other receivables	208	137	362	5	21	23
Prepaid expenses and accrued revenue, Note 17	504	375	225	35	31	19
Short-term investments, note 18	993	1 263	1 114	-	-	-
Cash and bank, note 1	282	391	878	0	2	386
Total current assets	**2 346**	**2 673**	**3 035**	**606**	**830**	**1 901**
Total assets	**4 920**	**5 985**	**5 505**	**3 295**	**3 879**	**4 973**
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity, note 19						
Share capital (84,041,118 shares, par value of SEK 2)	168	168	168	168	168	168
Restricted reserves	1 633	1 847	1 919	1 169	1 169	1 169
Unrestricted reserves	287	267	169	179	646	465
Net income for the year	-71	-25	730	39	-558	260
Total shareholders' equity	**2 017**	**2 257**	**2 986**	**1 555**	**1 425**	**2 062**
Minority interests	-	-	182	-	-	-
Untaxed reserves, note 20	-	-	-	-	82	82
Appropriations						
Deferred tax liability, note 11, 20	51	109	115	-	-	-
Restructuring reserve, note 21	71	149	-	-	-	-
Other appropriations, note 22	29	366	193	29	326	193
Total appropriations	**151**	**624**	**308**	**29**	**326**	**193**
Long-term liabilities, note 26						
Convertible debenture loan, note 6	55	55	55	55	55	55
Other long-term liabilities, note 23	203	11	1	200	-	-
Total long-term liabilities	**258**	**66**	**56**	**255**	**55**	**55**

	Group			Parent Company		
Amounts in SEK m	**2002**	**2001**	**2000**	**2002**	**2001**	**2000**
Short-term liabilities, note 26						
Liabilities to credit institutions, note 24	1 802	2 077	588	-	-	-
Accounts payable, note 11	215	156	304	2	13	8
Liabilities to group companies	-	-	-	1 372	1 626	2 135
Tax liabilities	1	31	144	-	-	77
Other liabilities	60	382	449	35	331	338
Accrued expenses and prepaid revenue, note 25	416	392	488	47	21	23
Total short-term liabilities	**2 494**	**3 038**	**1 973**	**1 456**	**1 991**	**2 581**
Total SHAREHOLDERS' EQUITY AND LIABILITIES	**4 920**	**5 985**	**5 505**	**3 295**	**3 879**	**4 973**
Collateral pledged, note 29	61	389	76	14	308	-
Contingent liabilities, note 30	911	360	426	874	359	426

SHAREHOLDERS' EQUITY, NOTE 19

Group Amounts in SEK m	Share capital	Restricted reserves	Unrestricted shareholders' equity	Total
OPENING BALANCE, 1 JANUARY 2000	**167**	**1 528**	**1 113**	**2 808**
Dividend for fiscal year 1999	-	-	-419	-419
Changes between restricted and unrestricted shareholders' equity	-	348	-348	0
Redemption of convertibles and warrants	1	47	-	48
Employee stock options	-	-	-193	-193
Translation differences	-	4	24	28
Net income, 2000	-	-	730	730
Other	-	-8	-8	-16
OPENING BALANCE, 1 JANUARY 2001	**168**	**1 919**	**899**	**2 986**
Dividend for fiscal year 2000	-	-	-504	-504
Changes between restricted and unrestricted shareholders' equity	-	-20	20	0
Redemption of convertibles and warrants	0	1	-	1
Employee stock options	-	-	-133	-133
Translation differences	-	-53	-1	-54
Net income, 2001	-	-	-25	-25
Other	-	-	-14	-14
OPENING BALANCE, 1 JANUARY 2002	**168**	**1 847**	**242**	**2 257**
Dividend for fiscal year 2001	-	-	-84	-84
Changes between restricted and unrestricted shareholders' equity	-	-213	213	0
Redemption of convertibles and warrants	0	0	-	-
Hedge for employee stock options	-	-	-142	-142
Translation differences	-	-1	51	50
Net income, 2002	-	-	-71	-71
Other	-	-	7	7
CLOSING BALANCE, 31 DECEMBER 2002	**168**	**1 633**	**216**	**2 017**

SHAREHOLDERS' EQUITY, NOTE 19

Parent Company Amounts in SEK m	Share capital	Restricted reserves	Unrestricted shareholders' equity	Total
OPENING BALANCE, 1 JANUARY 2000	**167**	**1 122**	**606**	**1 895**
Dividend for fiscal year, 1999	-	-	-419	-419
Redemption of convertibles and warrants	1	47	-	48
Employee stock options	-	-	-193	-193
Group contribution	-	-	471	471
Tax on group contribution	-	-	-132	-132
Net income, 2000	-	-	392	392
OPENING BALANCE, 1 JANUARY 2001	**168**	**1 169**	**725**	**2 062**
Dividend for fiscal year, 2000	-	-	-504	-504
Redemption of convertibles and warrants	0	-	-	0
Employee stock options	-	-	-133	-133
Group contribution	-	-	558	558
Tax on group contribution	-	-	-156	-156
Net income, 2001	-	-	-402	-402
OPENING BALANCE, 1 JANUARY 2002	**168**	**1 169**	**88**	**1 425**
Dividend for fiscal year, 2001	-	-	-84	-84
Redemption of convertibles and warrants	0	0	-	-
Hedge for employee stock options	-	-	-142	-142
Group contribution, non-deductible	-	-	16	16
Group contribution	-	-	418	418
Tax on group contribution	-	-	-117	-117
Net income, 2002	-	-	39	39
CLOSING BALANCE, 31 DECEMBER 2002	**168**	**1 169**	**218**	**1 555**

CASH FLOW ANALYSIS, NOTE 32

Amounts in SEK m	Oct-Dec 2002	Oct-Dec 2001*	Group 2002	Group 2001	Group 2000	Parent Company 2002	Parent Company 2001	Parent Company 2000
CURRENT OPERATIONS								
Operating income	-56	157	-25	-453	703	-129	-760	-285
Adjustments for items not included in the cash flow								
Depreciation	80	80	323	359	229	3	26	1
Write-downs	5	-	5	196	-	-	538	-
Cash flow effects restructuring reserve	-2	-71	-108	149	-	-	-	-
Participations in associated companies' income	-10	-11	-38	-33	-10	-	-	-
Capital loss	0	-95	-79	-23	-	-	-	-
Other adjustments	11	0	-28	-9	-	-	-	-
Financial items	-16	-24	-38	-27	40	-56	-67	-15
Income tax paid	-15	2	-35	-150	-103	-2	-82	-70
Total cash flow from current operations before changes in operating capital	**-3**	**38**	**-23**	**9**	**859**	**-184**	**-345**	**-369**
Changes in working capital								
Operating receivables	140	109	108	66	-17	322	886	15
Operating liabilities**	86	78	4	-372	311	-535	-514	1 380
Total change in working capital	**226**	**187**	**112**	**-306**	**294**	**-213**	**372**	**1 395**
CASH FLOW FROM CURRENT OPERATIONS	**223**	**225**	**89**	**-297**	**1 153**	**-397**	**27**	**1 025**
Investment operations								
Change in intangible assets	-38	-49	-130	-127	-321	62	-90	-
Change in tangible assets	-16	-73	-75	-328	-180	1	-	-1
Cash flow from associated companies	0	0	95	-24	-	-	-	-
Acquisitions of, and new issues in subsidiaries	-41	-10	-43	-166	-30	-75	-92	-416
Sale of subsidiaries	0	0	0	-156	-	1	25	-
Change in other shares and participations	0	107	0	115	-	-	-	-
Change in long-term receivables	7	0	20	-42	-52	-	-	26
Other	8	0	-25	10	1	1	-	1
CASH FLOW FROM INVESTMENT OPERATIONS	**-80**	**-25**	**-158**	**-718**	**-582**	**-10**	**-157**	**-390**
FINANCING OPERATIONS								
Dividend	0	0	-84	-504	-419	-84	-504	-419
Group contribution	-	-	-	-	-	434	558	166
Change in financial receivables and liabilities***	-391	-115	-226	1 181	233	55	-308	-22
Other	-	-	-	-	-	-	-	26
CASH FLOW FROM FINANCING OPERATIONS	**-391**	**-115**	**-310**	**677**	**-186**	**405**	**-254**	**-249**
Change in liquid funds ****	-248	85	-379	-338	385	-2	-384	386
Liquid funds - opening balance	1 523	1 569	1 654	1 992	1 607	2	386	0
Liquid funds - closing balance	1 275	1 654	1 275	1 654	1 992	0	2	386

* Figures for Oct-Dec 2001 have to a certain extent been reclassified compared to earlier interim reports to allow comparability with reported figures for 2002.

** The change in "Short term liabilities to credit institutions" is reported under "Financing operations". The comparative figures for 2000 have been adjusted as this item was reported under "Changes in operating capital" in the Annual Report 2000.

*** Of which during 2002 SEK 131 m (SEK 308 m) concerns hedge for employee stock options program through swap-transaction.

**** Liquid funds comprise short-term investments and cash and bank balances.

Notes to the Financial Statements

Amounts in SEK m (SEK m) unless otherwise stated. Amounts in parentheses indicate last year's values.

NOTE 1. Accounting principles

This annual report has been prepared in accordance with the Annual Accounts Act as well as with the recommendations set by the Swedish Financial Accounting Standards Council. New recommendations came into effect during 2002 with regards to the following areas: consolidated accounting (RR1:00); intangible assets (RR15): provisions (RR16); write-downs (RR17); loan expenses (RR21) and related parties/ close proximity disclosure (RR23). The application of these recommendations has had no material effect on the accounts.

Principles of consolidation
The consolidated accounts include the parent company and all companies in which the parent company, either through direct or indirect ownership via subsidiaries, has a controlling influence. The consolidated accounts have been prepared in accordance with the acquisition accounting method. This means, *inter alia*, that the book value of shares in subsidiaries are set-off in the first instance against restricted shareholders' equity in each subsidiary and thereafter against unrestricted shareholders' equity. Only that part of the subsidiary's unrestricted shareholders' equity that can be distributed to the parent company without the need for writing down the share is included in the groups' unrestricted shareholders' equity. The consolidated income statement includes companies that have been acquired or disposed of during the year, with the reported values relating only to the period the companies have been owned by the group.

The application of the Swedish Financial Accounting Standards Council recommendation RR 1:00 regarding consolidation accounting, has involved no retroactive calculations of earlier acquisitions.

Associated companies
An associated company is an operation which is neither a subsidiary nor a joint venture, but one where OM exercises a controlling influence over its management and where OM's ownership is of a permanent nature. OM applies the equity method when accounting for associated companies and its total participation in associated companies' income is reported net of tax. See Note 10.

Joint ventures
A joint venture is a company where two or more parties have a joint controlling influence over operations. On accounting for joint ventures OM applies the proportional method, whereby the group's share of assets, liabilities, revenue and expenses relating to joint ventures are reported line by line together with similar items. See Note 10.

Discontinuing operations
Through separating those operations that are under closure from remaining operations, it is easier for investors, lenders and other users of the financial statements, to forecast OM's future cash flows, profitability levels and financial position. In the income statement, revenue and expenses relating to Jiway are shown in a separate column from those relating to the rest of the operations. The comparative figures for the previous years have been recalculated accordingly. Information relating to net assets and cash flow in Jiway is given separately in Note 4.

Revenue recognition
The group's reported net sales relate primarily to trading revenue and the sale of systems and services. An item of revenue is posted to the income statement when it is likely that the company will receive its future financial benefits, and that these benefits can be calculated in a reliable way.

In addition to what is set out above and in Note 2, operating revenue also includes premiums for options written and payments for futures contracts sold. OM's exchanges pay the same premium on the purchase of options and the same price for purchasing futures included in operating expenses, as OM's exchanges receive for writing options and selling futures. Premium revenue and expenses as well as futures payments made and received are shown as net figures in the income statement.

Percentage of completion method
OM applies the percentage of completion method to its technology sales. On applying the percentage of completion method, income is recognized in line with the completion (development) of a project. An anticipated loss on a project is immediately treated as a loss. The fundamental premise of the percentage of completion method is, in part, that proj-

ect revenue and expenditure can be accurately assessed and, in part that the degree of development can be fixed in a reliable way. At OM the degree of development is fixed through the relationship between the hours that have been worked by the year-end and the estimated number of project hours in total. The occasional project arises for which an accurate assessment of project revenue and expenditure cannot be made when the year-end accounts are prepared. In such cases revenue is instead determined using zero-settlement. In these cases the rule is that the project revenue is reported as expenditure incurred to date, i.e. income is reported as zero until such time as it can be accurately calculated. Thereafter the percentage of completion method is applied as soon as possible. A present value calculation has been performed for those project receivables that do not fall due within 12 months.

Internal sales
A new internal pricing structure came into effect in January 2002. Certain internal agreements have been successively renegotiated over the year. This has only had a marginal impact on the year's net income for each business area.

Goodwill
Goodwill is reported at acquisition value with deductions made for accumulated depreciation and any write-downs. Goodwill represents that portion of the acquisition cost that, on the day of acquisition, is in excess of the actual value of any identifiable net assets contained in the acquired subsidiary, associated company or joint venture. Goodwill is depreciated in a straight line over its economic lifetime, which is assumed to be a maximum of 20 years. See note 13. The value of goodwill is assessed to ascertain whether any write-downs are necessary, when events or other prerequisites indicate that the reported value may not be recoverable.

Goodwill derived from the acquisition of foreign entities is treated as an asset in the acquired company and reported at the transaction day's rate of exchange.

Tangible and other intangible fixed assets
Fixed assets are reported at acquisition value with deductions made for accumulated depreciation and any write-downs and adding back any appreciation. Straight-line depreciation is applied over the assets' economic lifetime. See Note 13.

The term "investments in fixed assets" includes investments in equipment and intangible fixed assets. The group's cash flow analysis only includes investments that have impacted group liquid assets.

The book values of fixed assets are continuously monitored through analyses. If an analysis indicates that a value may be too high, the asset's recovery value is established, which is the highest of net sale value and economic lifetime value. The economic lifetime value is measured as the expected future discounted cash flow. The write-down figure is then the difference between the book value and the recovery value.

Systems development expenses
The main principle is that expenses for research and development relating to computer systems for trading, clearing and information are charged against revenue on a continuous basis. However, in certain cases expenses relating to new products are to be capitalized in accordance with the principles set out below.

All research expenses are to be treated as expenditure as they arise. During the fiscal year SEK 2 m (SEK 3 m) was charged against revenue for investment in research.

Expenses relating to the development of new products are treated as intangible assets when they fulfill the following criteria; it is likely that the asset will provide future financial benefit to the group (i.e. contribute a positive cash flow); that the acquisition value can be calculated in a reliable way; that the company intends to take the asset to completion and that the company has technical, financial and other resources to complete development, use or sell the asset. Important documentation for the verification of such capitalization includes business plans, budgets, outcomes and external evaluations. In certain cases capitalization is based, out of necessity, on the company's estimation of future outcome, such as prevailing market conditions.

The acquisition value of an internally developed intangible asset is the total of those expenses incurred from the time when the intangible asset first fulfills the criteria set out by generally accepted accounting principles. (See criteria above.)

Internally developed intangible assets are reported at acquisition value with deductions for accumulated depreciation and any write-downs.

Revenue from work carried out during the financial year on company assets that have been carried forward as fixed assets is reported in the income statement under the heading "Own work capitalized". The item relates only to capitalized personnel expenses. No reduction of personnel expenses has been made for work that relates to capitalized assets. The expenses have been met by the reported revenue. Own work capitalized has therefore no impact on income but does have a negative impact on the operating margin.

During the fiscal year total research and development expenses for the group amounted to SEK 254 m (SEK 394 m), of which SEK 108 m (SEK 105 m) has been capitalized.

Leasing expenses
Leasing is classified as either financial or operational leasing. Financial leasing is when the financial risks and benefits linked to the ownership of an asset are to all intents and purposes transferred from the lessor to the lessee. If this is not the case then leasing is operational.

In the case of financial leasing agreements the lessee must report the asset as a fixed asset in the balance sheet. Future leasing payment obligations are reported as a liability. Assets are depreciated based on economic lifetime while both the interest payments and the capital repayments are disclosed for the leasing payments.

In the case of operational leasing, leasing fees are expensed over the lifetime, which commences when usage starts.

OM only has operational leasing commitments. See Note 12.

Borrowing expenses
Expenses relating to borrowing are charged to income during the period in which they arise with the exception of any amount that is calculated as being part of an asset's acquisition value.

OM has no capitalized borrowing expenses, with all its borrowing expenses charged to income during the period in which they arise.

Short term investments and cash and bank
OM's short-term investments as well as its cash and bank balances consist of money market instruments, bonds and other securities issued by the Swedish State, Swedish municipalities, Swedish banks and Swedish mortgage institutions as well as short-term shareholdings. These have been valued using the lowest value principle. Short-term investments also comprise interest-bearing securities with a lifetime in excess of three months. These investments relate to highly liquid securities that are easy to transfer into cash.

The yield on short-term investments and cash and bank balances are shown as a net figure in the consolidated income statement under the heading "Financial items".

In addition to collateral received and an active risk management policy, OM's short-term investments as well as its cash and bank balances, shall ensure that Stockholmsbörsen and OM London Exchange can fulfill those obligations that are a necessary part of their exchange and clearing operations.

Current trading account
In accordance with the SFSA's ruling, net accounting may take place for contracts settled through payment against delivery in a clearing house.

Current trading receivables and current trading liabilities in OM's exchange operations have been netted within each clearing house.

Gross amount	**Receivable**	**Liability**
Stockholmsbörsen AB	138	206
OM Broker Services	16	16
OM London Exchange Ltd	11	12
Natural Gas Exchange Inc	1 947	1 949

Receivables
Receivables are reported as the amount expected to be recovered.

Receivables and liabilities in foreign currencies
Receivables and liabilities in foreign currencies have been valued at the year-end rates quoted for each currency. Where receivables and liabilities have been hedged, valuation has been carried out at the rates set in the hedging contracts. Exchange rate differences relating to operating receivables and liabilities are reported as part of operating income, while exchange rate differences relating to financial assets and liabilities have been reported as financial items.

Recalculation of foreign subsidiaries' balance sheets and income statements
On 1 January 2002 OM introduced a new organization. As a consequence of this reorganization a number of foreign subsidiaries were reclassified from independent to dependent. For recalculation of the financial statements of dependent subsidiaries, the monetary method has been used. This method means that monetary assets and liabilities are shown in the reporting currency recalculated at the year-end rate. Non-monetary assets and liabilities are shown in the reporting currency recalculated at the exchange rate at the time of acquisition.

For subsidiaries classified as independent the current rate method has been used which means that items in the balance sheet have been recalculated at the year-end rate, apart from shareholders' equity which is recalculated at a historic rate, while items in the income statement have been recalculated at an average rate. The translation differences that consequently arise are not reported in the income statement but are posted directly against shareholders' equity.

These reclassifications have led to an increase in shareholders' equity of SEK 23 m, and have also had a positive impact on income of SEK 4 m. Net income figures for comparative years have not been altered as the income effect on previous years was lower than in 2002 and therefore not considered to be material.

Taxes
Under the "Taxes" heading in the income statement OM has reported current and deferred income tax for its Swedish and foreign group companies. Group companies are liable to pay tax in accordance with relevant taxation legislation in the countries in question. The Swedish State corporate tax for 2002 was 28 percent, calculated on nominal reported income, adding non-deductible items and deducting non-taxable revenue as well as other deductions, primarily tax-free dividends from subsidiaries.

Deferred tax is reported in accordance with the balance sheet method which means that deferred tax liabilities and receivables are calculated, and reported in the balance sheet, on temporary differences between book and taxable values for assets and liabilities as well as for other tax deductibles or deficits.

Deferred tax receivables are reported with caution and only when it is deemed probable that the underlying tax receivable will be realized during the foreseeable future. At each balance sheet date an assessment is made of the reported values.

Deferred tax liabilities and receivables are calculated using the anticipated tax rate at the time the reversal of the temporary difference is due to take place. The effects of the changes to applicable tax rates are reported during the period in which the changes become statutory. See Note 11.

Items affecting comparability
Items affecting comparability relate to events and transactions that have an impact on income and are of significance when income for that period is compared with other accounting periods and other companies. The items relate to revenue and expenses of a non-recurring nature that are not part of the company's current operations. See Note 8.

Provisions
Provisions are reported in the balance sheet when the group is set to experience future commitments as a consequence of an event that has already happened; one which is likely to incur a loss of financial benefits, the size of which can be anticipated with a reasonable degree of certainty.

Provisions for restructuring expenses are reported when the group has presented a detailed plan for the implementation of the planned action and this plan has been communicated to all parties involved. See Note 21.

Using OM's previous accounting principles, a provision for structural measures was reported in conjunction with the Board of Directors' decision with regard to this matter. Since the changeover to the Swedish Financial Accounting

Standard Council recommendation relating to provisions (RR 16), no retroactive recalculations have been made regarding previous provisions.

Employee stock option program
All employees were allocated employee stock options during 2000, 2001 and 2002. The strike price has been set at 110% of the applicable share price. OM has not received any premiums for these options and the market value of options granted has not been taken up in the accounts. Upon exercise, options will primarily be delivered from a third party which has undertaken to provide existing shares (i.e. no dilution). OM therefore receives no part of the strike price when these options are exercised. The effects of the swap transaction aimed at limiting dilution, securing the provision of shares upon exercise of these options and, in the event of a price increase, limiting the outflow of liquidity due to social welfare contributions, are reported as a deduction from shareholders' equity in accordance with the rules governing buying back own shares. The financing expenses are treated as financial expenditure.

When the share price exceeds the strike price of the option, reservations are made for the anticipated social welfare contributions, which are also expensed, on an ongoing basis. These social welfare contributions would need to be paid by OM when outstanding options are exercised. See Note 6.

Collateral pledged to Stockholmsbörsen and OM London Exchange
Through their clearing operations both Stockholmsbörsen and OM London Exchange enter as the counterparty in each options and futures contract thereby guaranteeing the fulfillment of each contract. Customers, who either through an option or futures contract, incur a financial obligation towards OM's exchanges, must pledge collateral against this obligation in accordance with the specific rules regulating this area. Most of the collateral pledged comprises cash and securities issued by the Swedish State. See Note 28.

Collateral pledged
This item relates to collateral pledged in relation to OM's employee stock option program as well as leasehold commitments for office premises. See Note 29.

Contingent liabilities
A contingent liability relates to a potential commitment arising from events that have occurred but where the actual commitment can only be confirmed through the occurrence of one or more uncertain future events that lie outside the control of the company.

In order for a company not to be required to report a contingent liability as a provision in the balance sheet, it must either be unlikely that an outflow of resources will be required to regulate any upcoming commitments, or that the size of the commitment cannot be calculated with sufficient accuracy.

Through its clearing activities, NGX becomes the counterparty in each transaction thereby guaranteeing the fulfillment of every contract. As collateral for these commitments NGX has pledged bank guarantees that are guaranteed by OM. In addition to this, guarantees have been pledged for the fulfillment of obligations for leasehold contracts in Stockholm. See Note 30.

New recommendations from the Swedish financial accounting standards council, 2003
With effect from 1 January 2003 OM will apply the following new recommendations issued by the Swedish Financial Accounting Standards Council: Presentation of financial reports (RR 22); Segment reporting (RR 25); Events post balance sheet date (RR 26) and Financial instruments (RR 27). These recommendations will require an increased level of disclosure within OM's financial reporting.

Additional recommendations from the Swedish Financial Accounting Standards Council come into effect in 2003 but relate to areas outside the scope of OM's operations and have therefore no impact on the presentation of OM's financial statements.

NOTE 2. Revenue

The table below shows reported revenue divided between different revenue types:

	2002	**2001**
OM's technology operations, of which	1 899	2 265
License, support and project revenue*	1 057	1 330
Facility Management services	584	689
Other revenue**	258	246
Stockholmsbörsen, of which	965	1 158
Trading revenue	583	757
Issuers' fees revenue	174	158
Information sales revenue	117	131
Other revenue	91	112
Parent company and other functions	150	32
Group eliminations***	-374	-383
Total	**2 640**	**3 072**

* Of which revenue derived from assignment revenue, SEK 328 m (SEK 718 m).
** Of which SEK 75 m (SEK 95 m) relates to the sale of shares in Orc Software.
***OM's internal sales to other group companies totaled SEK 75 m (SEK 2 m). Internal sales from technology operations, primarily to OM's exchanges, totaled SEK 253 m (SEK 383 m).

Revenue also includes positive exchange rate differences of SEK 23 m of which SEK 576,000 are unrealized.

NOTE 3. Revenue and income per business area

The following table shows revenue and income before depreciation within OM's business areas:

Revenue	**2002**	**2001**
OM's technology operations		
Broker Services	287	376
Energy Market Solutions	292	299
Financial Market Solutions	793	1 050
Global Services	411	439
Other items*	224	242
Eliminations	-108	-141
Total technology operations	**1 899**	**2 265**
Stockholmsbörsen	**965**	**1 158**
Parent company and other functions	**150**	**32**
Group eliminations	-374	-383
Total	**2 640**	**3 072**

Income before depreciation	**2002**	**2001**
OM's technology operations		
Broker Services	40	-108
Energy Market Solutions	-40	69
Financial Market Solutions	220	386
Global Services	66	20
Common functions **	-219	-246
Other items*	102	115
Total technology operations	**169**	**236**
Stockholmsbörsen	**348**	**303**
Parent Company and other functions	**-86**	**-152**
Items affecting comparability (excl. write-downs.)	**-127**	**-257**
Total	**304**	**130**

* Includes the sale of shares in Orc Software. The result also includes the associated company's participation from Orc Software.
** Common functions within OM's technology operations comprise primarily sales and marketing.

NOTE 4. Discontinuing operations

In the income statement, revenue and expenses relating to Jiway have been separated from the rest of operations. The closure of Jiway will have no material impact on the consolidated balance sheet. As of 31 December 2001, following the reconstruction, the existing operation's net assets were around SEK 5 m.

During 2002 Jiway had a negative effect on group cash flow from operations of SEK 176 m. No investments were made during 2002. In 2001 cash flow from operations were SEK -372 m. The cash flow in 2001 from investment operations was negatively affected by SEK 145 m, attributable to the cash position in those companies closed during the year.

During 2003 Jiway's closure is expected to have a negative impact on cash flow of around SEK 59 m.

NOTE 5. Auditors' remuneration

The following remuneration was paid to auditors and accountancy companies for auditing and audit-related services required by law as well as for advice and other assistance arising from observations made during the course of the auditing process. Remuneration has also been paid for additional independent advice. Most advice relates to audit-related consultations on accounting and taxation issues in conjunction with company acquisitions and restructuring.

PAYMENTS MADE TO COMPANY AUDITORS

	Group		Parent Company	
(SEK 000s)	**2002**	**2001**	**2002**	**2001**
Ernst & Young				
Auditing assignments	8 573	7 744	1 921	790
Other assignments	8 282	14 632	851	2 238
PricewaterhouseCoopers				
Auditing assignments	342	125	342	125
Other assignments	628	648	35	–
BDO Feinstein				
Auditing assignments	290	39	–	–
Other assignments	155	171	–	–
Other Auditors				
Auditing assignments	64	94	–	–
Other assignments	285	2 025	–	–
Total	**18 619**	**25 478**	**3 149**	**3 153**

NOTE 6. Personnel expenses and benefits paid to senior management

This note has been prepared in accordance with current legislation, rules and recommendations. The reporting of senior management benefits has been carried out in accordance with the recommendations of the Industry and Commerce Stock Exchange Committee (NBK).

Senior management
As recommended by NBK, senior management should be divided into "chief management" and "executive management".

"Chief management" within OM is defined as:

Chairman of the Board (Olof Stenhammar)
President and CEO (Per E. Larsson)

"Executive Management" relates to those people in the company's management team who are not included in "Chief management". In OM's case this comprises four people, who together with the President and Chief Operating Officer, make up OM's executive management, namely:

Deputy CEO and Chief Operating Officer, Magnus Böcker; Stockholmsbörsen's President, Kerstin Hessius; CFO, Per Nordberg; and CSO, Anders Reveman.

OM's Remuneration Committee
The Remuneration Committee is appointed on an annual basis by the Board of Directors and currently consists of the following Board members: Olof Stenhammar (Chairman), Adine Grate Axén and Bengt Rydén. The Committee's task is to prepare for Board decisions on issues relating to the salary and remuneration paid to the President and Chief Operating Officer; to propose fees for Board members within OM group companies, as specifically instructed by the Board of Directors; and to propose principles to be used for salaries, benefits and other remuneration for employees of the OM group.

OM's remuneration policy
The aim of OM's remuneration policy is to offer remuneration that promotes a situation whereby senior management and other employees alike can be recruited and retained, in addition to motivating them to do their best while working for OM.

Its fundamental principles are:

- To work towards a consensus between employees and shareholders as regards the long-term perspective of the company.
- To establish a clear relationship between remuneration and long-term development of OM and OM's financial results.
- To ensure that employees within OM's different organizations receive remuneration that is reflective of the market and that is competitive.
- To offer a salary scale based on results achieved, work duties, experience and position held, which also means a neutral stance in relation to gender, ethnic background, disability, sexual orientation, etc.

Remuneration structure
OM's employee remuneration comprises the following parts:

- Fixed salary
- Variable salary (bonus)
- Variable incentive program (employee stock options)
- Pension
- Other remuneration

Fixed salary
Every OM employee has an annual salary review with the exception of the President and Chief Operating Officer for whom a review takes place every second year. Any changes as a result of the salary review take effect from January 1. The review shall consider salary levels in the market, employee performance and any changes to responsibilities as well as the company's development.

Variable salary
In addition to fixed salary OM also pays a discretionary, variable salary to "key contributors". Key contributors are defined as employees whose performance has exceeded expectations and who have made a positive contribution to OM's long-term development.

For a variable salary to be paid, certain quantitative and qualitative targets must be met. For the President and Chief Operating Officer these targets are set on an annual basis by the Salary and Remuneration Committee and are ratified by the Board of Directors. The President sets targets for the rest of OM's Executive Management team. Targets for other employees are set by each line manager.

The financial statements include a provision that corresponds to the anticipated amount of variable salary. A decision is made on payment at a later date. For this reason the expensed amount may differ from that which has been decided.

Variable incentive program (employee stock option program)
As part of total remuneration paid to employees, in 2000, 2001 and 2002 OM provided stock options for all its employees – employee stock options. The value of granted options in 2002 was less than 2 percent of OM's total payroll expense.

The concept of employee stock options came to Sweden in conjunction with new tax legislation in 1998. The feature of employee stock options is that the employee must remain in service for a certain period to receive the options. Restrictions to ownership and usage rights means that options are not considered to be financial instruments but are taxed as employment income. This means that the company will incur social welfare contribution expenses in those cases where options are exercised.

During 2000, 2001 and 2002 OM offered employee stock options to all group employees. Each option carries the right to receive one share in return for the strike price. One third of the granted options are vested each year for a three-year period.

	2002	**2001**	**2000**
Strike price, SEK	71	175	400
Redemption of shares with effect from	2 July 2003	15 June 2002	25 May 2001
Expiry date	2 July 2009	15 June 2008	28 June 2007
Number of allocated options	733 000[1]	1 100 000[2]	1 400 000[3]
Theoretical value, SEK m[4]	11	42	126
Theoretical value per option, SEK[4]	15	38	90
Theoretical dilution	0.9 %	1.3%	1.7%
Remaining options 2002-12-31	714 000	926 000	1 003 000
Of which fully vested (31 December 2002) guaranteed	0	405 000	669 000
Of which fully vested (31 December 2001) guaranteed	–	0	334 000
Number of options			
Opening balance	-	1 025 000	1 199 000
Allocated options	733 000	-	-
Exercised options	-	-	-
Expired and obsolete	-16 000	-99 000	-196 000
Closing balance	714 000	926 000	1 003 000

The income statement and balance sheet include the following amounts relating to the employee stock option program:

Income statement, SEK m	**2002**	**2001**	**2000**
Social welfare contribution expenses related to employee stock options	-	-	-
Interest related to the stock repurchase[5]	24	17	12
Balance sheet, SEK m			
Provision for social welfare expenses	-	-	-
Provision for synthetic buy-back of own shares[6]	29	326	193

1) Of which President 150 000 and other members of executive management 174 000.

2) Of which the President 86 000 and other members of executive management 131 000. Of these 50 000 options for the President and 74 000 options for other members of executive management can be exercised with effect from the date of receipt.

3) Of which the President 46 000 and other members of executive management 92 000.

4) The theoretical value of granted options is fixed through an established options valuation model (Black & Scholes) at the time they are granted. The volatility parameters have been adjusted to take account of the options' specific conditions relating to the vesting period and lifetime.

5) Interest relating to the contract for the stock repurchase corresponds to the net interest expenses on the value of the underlying shares at the time the contract was signed, as well as the dividend on the underlying shares (1.4 m shares).

6) In order to limit dilution, to secure the provision of shares when exercise is requested as well as to minimize the liquidity effect of social welfare contributions in the event of a share price increase, in 2000 OM entered into an agreement with a third party who will provide OM shares on request. The contract, (swap transaction) which runs until 30-06-2007, corresponds to 1.4 m shares at an agreed price of SEK 62 per share. The change of counterparty has meant that the originally agreed price of SEK 371 has been changed to SEK 62 per share, which means that the price fall has been realized. This has led to a reduction of the Loss risks provision, corresponding to a decrease in value of SEK 439 m. Of the total commitment to a third party of SEK 86.8 m, SEK 29 m is charged against shareholders' equity in the balance sheet, which corresponds to the difference between the agreed share price and the share price as at December 31, 2002. OM pays interest to its counterparty for undertaking to provide shares. The buy-back contract covers the outstanding options that are currently expected to be exercised. This includes the liquidity effect of social welfare contributions. If at a later date it is decided that more options than the number of shares covered by the third party are to be exercised, a decision will be made as to how delivery of additional shares will made.

Convertible debentures and warrants
In addition to the employee stock option program detailed above, in 1998 OM issued convertible debentures and warrants to its employees. The issues were made on market terms whereby the employees paid a premium for the warrants.

Convertible debentures issued to employees	**23 December 1998**
Original nominal amount, SEK*	76 531 350
Conversion, 2002	161 000
Outstanding liability as at 31 December 2001	54 804 400
Nominal interest rate, % (12-month Stibor, 0.5%)	3.66
Conversion rate, SEK	161
Number of shares on full conversion of outstanding liability	340 400
Dilution upon full conversion	0.4%
Conversion with effect from	30 April 1999
Maturity date	31 May 2004
Warrants issued to employees	**23 December 1998**
Subscription price, SEK	161
Number of shares upon full subscription*	600 000
Dilution upon full subscription	0.7%
Subscribed as at 31 December 2002	162 700
Premium, SEK	15.30
New subscription of shares with effect from	30 April 1999
Maturity date	31 May 2004

* President and CEO Per E. Larsson issued nominal SEK 322,000 corresponding to 2,000 shares from convertible debentures and 33,400 from warrants.

Synthetic options
In 1995 45 key members of staff subscribed to synthetic options the value of which depended on the performance of the OM share. The last options were exercised in 2000 and the cost of these synthetic options was SEK 30 m.

Pensions
OM has a standard pension scheme for all employees apart from for the President and Chief Operating Officer. OM's scheme is based on the principles of a market-based occupational pension scheme. The premium is a fixed percentage of salary up to 30 basis points for different age intervals. Premium provision increases with age. Each pension holder has discretion over how their pension fund is to be managed.

Pension commitments are fulfilled through premium payments to independent insurers. A pension expense corresponding to the premiums paid is charged to revenue on an ongoing basis for these premium-based pension schemes.

With effect from 2002 President Per E. Larsson and Chief Operating Officer Magnus Böcker, in addition to OM's standard pension scheme, both have premium-based pension benefits that aim to provide an old-age pension corresponding to 60 percent of basic salary at age 60. The total premium provision amounts to 23 percent of their fixed monthly salary.

The portion of the pension described above that is within the deductibility limits, as stated by the principal rule, will be treated as occupational pension insurance. Those premium portions that due to their size cannot be treated as occupational pension will therefore be treated as a direct pension commitment.

Other remuneration (other benefits and severance terms)

Other benefits
In addition to the occupational pension premiums detailed above, OM also pays for health insurance, occupational group life insurance (TGL) and accident at work insurance (TFA). Employees may also complement their insurance cover through OM's optional group insurance.

OM also offers its employees a number of standard benefits such as employee loans, holiday accommodations.

In addition to the above, certain members of executive management have the right to comprehensive health care insurance and domestic help.

Severance terms
The period of notice that applies between OM and the President is 24 months from the company's side and 6 months from the President's side. Terms for other senior management vary from 12-18 months from the company's side and 6 months from the employee's side. In the event of a company initiative to terminate any contract of employment, remuneration will be paid corresponding to the salary that would be paid during the period of notice.

AVERAGE NUMBER OF EMPLOYEES

	2002		2001	
	Number of employees	**Of which men**	**Number of employees**	**Of which men**
PARENT COMPANY				
Sweden	28	13	42	22
Total Parent Company	**28**	**13**	**42**	**22**
SUBSIDIARIES				
Sweden	1 150	766	985	633
Australia	32	23	6	4
Canada	29	20	27	20
Denmark	19	15	19	14
Germany	18	14	13	10
Hong Kong	10	6	7	5
Italy	4	4	3	3
Korea	-	-	7	7
Norway	93	69	93	68
Switzerland	-	-	1	1
United Kingdom	201	142	222	158
USA	93	66	91	65
Total subsidiaries	**1 649**	**1 125**	**1 474**	**988**
JOINT VENTURES*				
Sweden	3	2	3	3
Norway	-	-	1	1
Total Joint Ventures	**3**	**2**	**4**	**4**
GROUP Total	**1 680**	**1 140**	**1 520**	**1 014**

* Relates only to companies that have been consolidated using the proportional method. Information relating to the number of employees in the table relates to the percentile portion of average number of employees in the companies.

SALARIES, OTHER REMUNERATION DISTRIBUTED PER COUNTRY AND BETWEEN BOARD MEMBERS ET. AL. AND EMPLOYEES

	2002		2001	
PARENT COMPANY	**Board and President (of which bonus and similar remuneration)**	**Other employees**	**Board and President (of which bonus and similar remuneration)**	**Other employees**
Sweden	11 (2)	16	13(5)	21
Total parent company	**11 (2)**	**16**	**13(5)**	**21**
SUBSIDIARIES				
Sweden	8 (1)	429	19 (8)	296
Australia	- (-)	17	- (-)	4
Canada	2 (-)	18	2 (-)	15
Denmark	1 (-)	9	1 (-)	11
Germany	- (-)	12	- (-)	7
Hong Kong	- (-)	5	- (-)	5
Italy	- (-)	3	- (-)	3
Korea	- (-)	-	- (-)	3
Norway	3 (-)	52	2 (-)	48
Switzerland	- (-)	2	- (-)	5
United Kingdom	2 (-)	109	2 (-)	159
USA	- (-)	103	- (-)	105
Total subsidiaries	**16 (1)**	**759**	**33(1)**	**661**
JOINT VENTURES*				
Sweden	- (-)	2	- (-)	-
Norway	- (-)	-	1 (-)	-
Total Joint ventures	**- (-)**	**2**	**1 (-)**	**-**
Group total	**27 (3)**	**777**	**47 (6)**	**682**

* Relates only to companies that have been consolidated using the proportional method. Financial information relates to the percentile portion of these companies' expenses for salaries and other remuneration.

Remuneration to the Board of Directors and other senior management

In accordance with the decision taken by the Annual General Meeting regarding the payment of fees to Board members, Board fees amounting to SEK 1,450,000 (SEK 1,600,000) were paid in 2002, of which SEK 700,000 (SEK 700,000) was paid to the Chairman and SEK 150,000 to each of the Board members. In addition, Board fees totaling SEK 1,314,000 (SEK 937,500) were paid during the year to subsidiary Board members. These fees have only been paid to persons who are not employees of the group.

EXPENSED REMUNERATION 2002

	Fixed salary	Variable salary	Pension	Employee stock options	Benefits in kind	Other remune-ration	Total
Olof Stenhammar	-	-	-	-	18 500	680 947[1]	699 447
Bengt Rydén[2]	1 153 527	-	301 083	-	52 525	-	1 507 135
Per E. Larsson[3]	3 780 581	1 210 000	869 400	690 000	138 206	-	6 688 187
Executive Management group[4]	8 367 004	2 815 000	1 989 588	1 380 000	543 014	-	15 094 606

1) In addition to the Board fee, a fixed as well as a profit-related payment – based on a license agreement – has been made to a company in close proximity to the Chairman. The profit-related portion represents 1 percent of OM's income after financial items. The fixed portion is SEK 680,947 (SEK 665,160). These payments are made in quarterly installments in arrears. The agreement was entered into in 1985 in conjunction with the inception of OM and expires in 2005 after which it is cancelable.

2) Remuneration to Board member Bengt Rydén in 2002 arises from a contract of employment with the company, which commenced in 1998 as a consequence of the merger between OM and the Stockholm Securities Exchange, and was terminated at the beginning of 2003 to be replaced by a more limited consultancy contract.

3) President Per E. Larsson received a fixed salary of SEK 3,780,581 (SEK 3,695,592). This amount includes a voluntary monthly additional pension contribution of around SEK 25,000. The variable salary paid to the President totaled SEK 1,210,000 (SEK 2,000,000). Pension provisions in 2002 totaled 23 percent of fixed salary that corresponded to SEK 869,000 (SEK 680,976) per year. During the year Per E. Larsson was granted 46,000 employee options with a theoretical value of SEK 690,000 (SEK 15 per option). Benefits include sick pay insurance, domestic help and health care insurance.

4) Deputy CEO and Chief Operating Officer Magnus Böcker, Stockholmsbörsen's President Kerstin Hessius, CFO Per Nordberg and CSO Anders Reveman. Expenses for CFO Per Nordberg are included from August 1, 2002.

NOTE 7. Transactions with related parties (close proximity)

Related parties refers to companies and individuals with whom OM is in a position to exercise considerable, though not controlling, influence.

When transactions with associated companies reported in accordance with the equity method are not eliminated in the consolidated financial statements, separate information is shown in the table below to disclose those transactions that took place between OM and these companies. Information relating to Joint Ventures covers that portion of transactions that are not eliminated in the consolidated financial statements.

Information relating to transactions with individuals in close proximity (Board of Directors) is set out in Note 6.

GROUP

	Sales	**Purchases**	**Receivables**	**Liabilities**
ASSOCIATED COMPANIES				
Nordic Exchanges A/S	–	–	–	–
Näringslivskredit, NLK AB	–	57	106	–
Orc Software AB*	0	–	86	86
Clearing Control, CCAB	–	3	0	–
ENITA AS	–	–	–	–
JOINT VENTURES				
Net Circle	5	–	0	–

*Relates to outstanding forex futures representing USD 9 m.

Sales and purchases from related parties are at market prices.

NOTE 8. Items affecting comparability

Group income has been affected by transactions and events that make comparisons difficult over time. To facilitate comparisons these expenses have been separately disclosed in the income statement.

GROUP

	2002	**2001**
Expenses related to cost-reduction program	57	73
Closure/restructuring of Jiway	75	408
of which write-downs	5	224
Group total	**132**	**481**

NOTE 9. Financial items

	Group 2002	Group 2001	Parent Company 2002	Parent Company 2001
Income from shares in group companies				
Dividends	–	–	–	–
Anticipated dividend	–	–	100	200
Capital gains/losses from disposals	0	-2	–	–
Recalculation of dependent subsidiaries	4	–	–	–
Total	**4**	**-2**	**100**	**200**
Income from participations in associated companies				
Dividends	1	0	–	–
Total	**1**	**0**	**–**	**–**
Income from other securities and receivables that are fixed assets				
Dividends	21	18	1	2
Interest income	0	19	–	19
Exchange rate gains	0	–	–	–
Total	**21**	**37**	**1**	**21**
Other interest income and similar items of income				
Dividends	0	0	–	–
Interest	86	72	5	6
Interest – group	–	–	0	–
Exchange rate differences	–	18	5	–
Capital gains	3	13	–	–
Total	**89**	**103**	**10**	**6**
Interest expenses and similar expense items				
Interest	-135	-150	-26	-36
Interest – group	-	-	-41	-58
Exchange rate differences	-12	-	-	-
Other	0	-4	-	-
Total	**-147**	**-154**	**-67**	**-94**
Total FINANCIAL ITEMS	**-32**	**-16**	**44**	**133**

NOTE 10. Associated companies and joint ventures

Participations in associated companies' income

	Domicile	Corp. ID number	Group 2002	Group 2001
Nordic Exchanges A/S	Copenhagen, Denmark		0	0
Näringslivskredit, NLK AB	Stockholm	556270-1432	10	13
Orc Software AB	Stockholm	556313-4583	28	21
ENITA AS	Trondheim, Norway		0	0
Other			0	-1
Total			**38**	**33**

Equity shares in associated companies

	Votes and equity shares, %	Number of shares	Group 2002	Group 2001	Market value in SEK m 31/12 2002
Nordic Exchanges A/S	32	20 000	2	2	–
Näringslivskredit, NLK AB	48*	1 600 374	153	443	–
Orc Software AB	30	4 488 075	81	73	304
ENITA AS	34	3 100	26	24	–
E-Desk Intressenter	50	500	0	–	–
Clearing Control, CCAB	50	500	1	–	–
Total			**263**	**542**	**304**

* Equity share amounts to 90%

JOINT VENTURES

	Domicile	Corp. ID number	Votes and equity shares, %
Net Circle	Stockholm	556606-5420	50

For information on the average number of employees and personnel expenses, see Note 6.

Income Statement		Balance Sheet	
Revenue	0	Fixed assets	0
Expenses	-10	Current assets	2
Operating income	-10	Total assets	2
Net financial items	0	Shareholders' equity	2
Tax	0	Long-term liabilities	0
Net income for the year	-10	Short-term liabilities	0
		Total shareholders' equity and liabilities	2

The summarized balance sheet and income statement above show the total amounts that belong to participations in Joint Ventures.

NOTE 11. Taxes

Both actual and deferred income tax is reported for Swedish and foreign group entities under "Taxes" in the income statement. Companies in the group are liable to pay tax in accordance with relevant taxation legislation in the countries in question. The Swedish State corporate tax rate during 2002 was 28 percent and was calculated on nominal reported income adding non-deductible items and deducting non-taxable revenue.

Income after financial items is distributed as follows:

	Group 2002	Group 2001	Parent Company 2002	Parent Company 2001
Sweden	77	-479	-85	-627
Other countries	-171	-23	–	–
Participations in associated companies' income	38	33	–	–
Total	**-56**	**-469**	**-85**	**-627**

Tax for the year is distributed as follows:

	Group		Parent Company	
Current tax	**2002**	**2001**	**2002**	**2001**
Sweden	-94	-5	42	150
Other countries	-1	-16	–	–
Total current tax	**-95**	**-21**	**42**	**150**
Deferred tax				
Sweden	12	194	–	75
Other countries	68	60	–	–
Total deferred tax	**80**	**254**	**–**	**75**
Total TAX	**-15**	**233**	**42**	**225**

The group reports a tax expense of SEK 15 m for 2002. The group's tax expense for the year was significantly affected by the fact that set-offs cannot be performed between operations in different countries. The difference between the nominal Swedish rate of 28 percent and the group's tax rate is attributable primarily to the lower income level as well as the income distribution between different countries.

The parent company's tax credit was attributable to the year's loss as well as to previously reported capital deficits that were utilized during the year. The tax expense related to the group contribution received has been charged directly against shareholders' equity in accordance with the Swedish Accounting Standards Council's Emerging Issues Task Force's Directive URA 7. This, however, does not result in a tax payment as the group contribution received is balanced out in the tax return against previous years' deficits.

Accumulated tax deductible loss allowances are distributed as follows:

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Sweden	452	763	0	269
Other countries	392	217	–	–
Total	**844**	**980**	**0**	**269**

Deficits in Swedish companies can be utilized at any time, with no time restrictions. For foreign subsidiaries, the utilization of deficits is, in some cases, time restricted. Certain foreign deficits must be utilized within 10 years. Consideration is given to anticipated profitability and utilization time limits when valuing deductible deficits, i.e. tax receivables, in foreign operations.

Total deficits at the year-end can be used no later than in the following years:

	Group		Parent Company	
Utilization year	**2002**	**2001**	**2002**	**2001**
2003	–	–	–	–
2004	–	–	–	–
2005	–	–	–	–
2006	–	–	–	–
2007	–	–	–	–
2008-	157	132	–	–
Unlimited	687	848	–	269
Total	**844**	**980**	**–**	**269**

Deferred tax receivables and tax liabilities are distributed as follows:

	Group		Parent Company	
	2002	2001	2002	2001
Deferred tax receivables				
Deficit allowances	244	263	–	76
Provisions for restructuring measures	3	52	–	–
Temporary differences, net	6	–	–	–
Total deferred tax receivables	**253**	**315**	**0**	**76**
Deferred tax liabilities				
Untaxed reserves	-51	-109	–	-23
Total deferred tax liabilities	**-51**	**-109**	**0**	**-23**
DEFERRED TAX RECEIVABLES	**202**	**206**	**0**	**53**

Untaxed reserves and appropriations
In the consolidated accounts, the untaxed reserves after eliminations have been distributed between deferred tax liabilities and restricted reserves in shareholders' equity, respectively. Most of the latter can, if taken up for taxation, be transferred to unrestricted reserves.

Ongoing taxation disputes
In 2001 an expense provision of SEK 18 m was made in relation to two ongoing taxation disputes. The provision remains unchanged in the 2002 financial statements as no court decision was made during the year. During 2002 associated company NLK lost a taxation dispute in the County Court. NLK has appealed the County Court's decision in the Administrative Court of Appeal. No provision has been made for this, as the dispute is not considered to impact OM's financial results. No current disputes, either individually or collectively, are considered to pose any material threat to the group's commercial operations, its financial position or its net income.

NOTE 12. Operational leasing

GROUP
OM has no financial leasing commitments. Set out below are the operational leasing commitments of the group.

Leasing fees for the period

	2002	2001
Equipment	47	40
Computer operation	14	47
Premises	196	156
Other	0	6
Total	**257**	**249**

Contracted leasing fees

	2003	2004	2005	2006	2007	2008-13
Equipment	49	12	8	4	4	19
Computer operation	15	13	11	6	0	0
Premises	162	224	224	157	151	823
Total	**226**	**249**	**243**	**167**	**155**	**842**

At year-end the total amount of future minimum leasing fees pertaining to non-terminable contracts for sub-contracted items, totaled SEK 0 m (SEK 22 m).

Contracts entered into in 2002

In 2002 a number of new contracts were entered into as a consequence of acquisitions. Set out below are the annually contracted minimum leasing fees for these contracts.

	From 2002	From 2003	From 2004
Equipment	–	40	37
Computer operation	5	3	1
Premises	95	90	147
Total	**100**	**133**	**185**

In addition to the minimum leasing fees, variable fees pertaining mainly to indexation and property tax must be added.

Parent company

OM has no financial leasing commitments. Set out below are the operational leasing commitments in the group.

Leasing fees during the period

	2002	2001
Premises	82	56

Contracted leasing fees

	2003	2004	2005	2006	2007	2008-13
Premises*	76	144	143	73	68	407
Of which subletting to group companies	73	141	140	69	64	386

* With effect from 2004 a contract for SEK 68 m is included in these figures. This relates to OM's new premises in Frihamnen, Stockholm.

NOTE 13. Goodwill, other intangible assets and equipment

GROUP	Goodwill	Other intangible assets	Equipment
Acquisition value brought forward	1 297	580	917
Assets acquired through acquisitions	–	2	2
Assets acquired through the year	42	20	75
Capitalized development expenses	–	108	–
Reclassifications	–	-6	-11
Acquisition value carried forward	**1 339**	**704**	**983**
Depreciation and write-downs brought forward	315	245	396
Depreciation for the year	129	3	111
Depreciation on capitalized development expenses	–	80	–
Write-downs	–	50	8
Exchange rate differences	-8	-18	-7
Depreciation carried forward	**436**	**360**	**508**
BOOK VALUE	**903**	**344**	**475**

Write-downs of intangible assets have been carried out against the restructuring reserve brought forward relating to Jiway.

Of equipment write-downs SEK 3 m was against the restructuring reserve brought forward relating to Jiway, and SEK 5 m relates to the closure of Jiway and is reported among "Items affecting comparability" in the income statement.

PARENT COMPANY

	Other intangible assets
Acquisition value brought forward	93
Disposals	-89
Acquisition value carried forward	**4**
Depreciation brought forward	26
Depreciation for the year	21
Disposals	-45
Depreciation carried forward	**2**
BOOK VALUE	**2**

Other intangible assets comprise the following items:

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Development expenses brought forward	311	299	–	36
Licenses	19	19	2	16
Other	14	17	–	15
Total	**344**	**335**	**2**	**67**

Other intangible assets comprise primarily development expenses brought forward relating to OM's systems solutions. The major components of this development are the new development of EXIGO CSD™ (a new system for settlement and other CSD financial services), CLICK XT™ (next generation of CLICK™), STP (systems solution for banks and brokerage firms) and CONDICO™ (systems platform for energy trading). Goodwill relates primarily to the Stockholm Securities Exchange and Energy Systems AS.

Expensed systems development costs

The main principle is and has been to expense development costs. This means that technology and systems platforms such as SAXESS™, CLICK™ and SECUR™ are not reported in the balance sheet.

Depreciation

The economic lifetime for equipment including capitalized expenses for rebuilding is 5 years.

The economic lifetime of intangible assets is distributed as follows:

	Acquisition value	Book value
Development in progress	120	120
3 years	28	10
5 years	950	409
10 years	100	76
20 years	845	632
Total	**2 043**	**1 247**

Depreciation of assets under development is expected to start during the second half 2003. Assets with an economic lifetime exceeding 5 years comprise entirely goodwill, of which SEK 632 m relates to the Stockholm Securities Exchange. Depreciation is assessed on a continuous basis. During 2002 the estimated economic lifetime was shortened for certain assets. Consequently the depreciation period for these assets has become shorter.

NOTE 14. Shares in group companies

PARENT COMPANY

	2002	2001
Acquisition value brought forward	2 594	3 065
Acquisitions during the year	56	72
Shareholders' contribution	19	–
Disposals	–	-543
Acquisition value carried forward	2 669	2 594

PARENT COMPANY

	Domicile	Corporate ID number	Votes and equity share %	Book value
Bond Connect Europe	London, England	–	50	3
OM Räntebörsen AB	Stockholm	556352-5574	100	47
Stockholmsbörsen AB	Stockholm	556383-9058	100	1 095
OM Broker Services AB	Stockholm	556405-0127	100	56
OM Technology AB	Stockholm	556314-8138	100	200
OM Transaction Development	Stockholm	556547-6834	100	0
OM Treasury AB	Stockholm	556211-6854	100	770
OM Treasury AG	Zug, Switzerland	–	33*	52
Natural Gas Exchange Inc.	Calgary, Canada	–	100	117
Risk Management Stockholm AB	Stockholm	556355-0036	100	3
Stockholms Fondbörs AB	Stockholm	556420-8394	100	306
XACT AB	Stockholm	556525-6830	100	20
Total				**2 669**

* The remaining 67 percent is owned by wholly owned subsidiary OM Treasury AB.

ACQUISITIONS 2002

	Operations	Acquisition value	Time of acquisition
OM Broker Services AB	Back-Office services	56	April 2002
Total		**56**	

OM Broker Services AB was formerly a wholly owned subsidiary of OM Technology AB.

NOTE 15. Other long-term securities holdings

GROUP

	2002	2001
Acquisition value brought forward	77	77
Acquisitions during the year	17	–
Reclassifications	-1	–
Acquisition value carried forward	**93**	**77**

PARENT COMPANY

	Votes and equity shares, %	No. of shares	Book value	
			2002	2001
NOS AS	12	1 749 700	4	4
Total			**4**	**4**

SUBSIDIARIES

HEX Plc	16	2 103 717	72	72
Adirondack	1		17	–
Ostfold Innovasjon AS	2	1	0	–
Other			–	1
Total			**89**	**73**
Total group			**93**	**77**

NOTE 16. Other long-term receivables

	Group		Parent Company	
	2002	2001	2002	2001
Collateral, employee stock option program	14	308	14	308
Other deposits	70	76	–	–
Long-term project receivables	131	103	–	–
Other	28	53	–	–
Total	**243**	**540**	**14**	**308**

The hedging arrangements for OM's employee stock option program were reorganized in 2002.

NOTE 17. Prepaid expenses and accrued revenue

	Group		Parent Company	
	2002	2001	2002	2001
Rents, interest	96	39	21	20
Systems sales, Facility Management*	229	205	–	–
Information sales	18	21	–	–
Transaction revenue	23	22	–	–
Other	138	88	14	11
Total	**504**	**375**	**35**	**31**

* Relates primarily to project revenue reported in accordance with the principle of ongoing income recognition. Project revenue is reported as revenue in the accounting period during which work is carried out. Customer invoicing terms are usually set within a contract and it is not uncommon that payments do not correspond to work carried out at any given time. Work that has been carried out, but that has not yet been invoiced, is treated as a receivable on the customer's account with OM. In the event of uncertainty surrounding receipt of payment for amounts reported as revenue, the amount that is considered unlikely to be received is reported as an expense and as such is not a deduction from revenue.

NOTE 18. Short-term investments

Short-term investments comprise 100 percent (87) Government securities.

NOTE 19. Shareholders' equity

The share capital of the Parent Company is divided between SEK 84,041,118 (SEK 84,040,118) shares with a par value of SEK 2. The Group's shareholders' equity amounted to SEK 24 (SEK 27) per share.

Shareholders' equity has been reduced as a consequence of measures taken to hedge the employee stock option program. In order to limit dilution, to secure the provision of shares when exercise of these options is requested and, in the event of a price increase, to limit the outflow of liquidity due to social welfare contributions, OM entered into a contract (swap transaction) with a third party for the provision of OM shares. The contract, which runs until 30 June 2007, corresponds to 1.4 m shares at an agreed price of SEK 62 per share. These measures, which have resulted in a reduction in shareholders' equity, correspond to the difference between the agreed share price and the share price as at December 31, 2002. See Note 6.

The application of the equity method of accounting for associated companies means that the value of shareholders' equity in the group is reported at SEK 65 m (SEK 38 m) higher than the value that would arise from using the acquisition method of accounting.

At the beginning of the fiscal year accumulated translation differences posted directly against shareholders' equity totaled SEK -130 m. At the year-end accumulated translation differences totaled SEK -80 m. The reclassification of a number of subsidiaries from independent to dependent has resulted in an increase in shareholders' equity of SEK 23 m, and has also had a SEK 4 m positive impact on income. Translation differences for the year relate primarily to the SEK/USD exchange rate.

NOTE 20. *Untaxed reserves*

Catastrophe reserve

Stockholmsbörsen and OM London Exchange have subscribed to long-term indemnity insurance relating to clearing members' failure to fulfill their financial obligations. This insurance is designed to cover losses arising from clearing operations that would normally be covered only by the shareholders' equity of each company. The insurance has been underwritten by OM's wholly owned subsidiary, OM Capital Insurance AG, in Switzerland, which has been partially reinsured through Radian Asset Assurance Inc in the US. Provisions for the catastrophe reserve have been made by OM Capital Insurance AG.

Accruals reserve

With effect from the fiscal year 1994 it has been possible to equalize earnings between different years through an accruals reserve. Allocations to an accruals reserve up to and including 1996 were allowed up to a maximum of 25 percent of taxable income, with effect from 1997. Up to and including 2000 the allowance was 20 percent of taxable income and in 2001 the maximum amount allowable was 25 percent of taxable income. Each year's allocation must be recovered for taxation after six years. The parent company's accruals reserve totals SEK 0 m (SEK 82 m).

NOTE 21. *Restructuring reserve*

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Opening balance	149	–	–	–
Provisions made during the period	132	483	–	–
Utilized reserves	-210	-332	–	–
Dissolution	–	-2	–	–
Total	**71**	**149**	**–**	**–**

The remaining reserves from 2001 total SEK 10 m, which relates to the closure of Jiway. During 2002 additional reserves were created due to the closure of Jiway's operations. All outstanding reserves will be utilized during 2003. Provisions of SEK 57 m were also made in 2002 for the cost-reduction program, of which the remaining SEK 2 m is expected to be utilized in 2003.

NOTE 22. *Other provisions*

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Other provisions	–	40	–	–
Hedging of OM's employee stock options	29	326	29	326
Total	**29**	**366**	**29**	**326**

During 2002 most of the reserve brought forward from 2001 for the employee stock option program was utilized. For further information see Note 6.

NOTE 23. *Other long-term liabilities*

Other long-term liabilities are distributed as follows:

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Bond loan	200	–	200	–
Other	3	11	–	–
Total	**203**	**11**	**200**	**–**

In order to extend the lifetime of the loan portfolio, credit facilities were further extended during the year by a long-term credit of SEK 200 m, which expires on 1 July 2005.

NOTE 24. Financial risk management

OM is exposed to different types of financial risks through its operations. The management of these risks and transactions is centralized within OM's internal bank, OM Treasury.

By centralizing its financing operations, OM achieves considerable economies of scale and lowers financing costs, in addition to gaining better control and management of the group's financial risks. A finance policy adopted by the Board of Directors forms the regulatory framework for financial risk management and financing operations as a whole. OM Treasury's goal is to maximize OM net finances within given risk limits.

Currency risks
A considerable proportion of OM's turnover is derived from operations outside of Sweden. As a result, exchange rate fluctuations have an impact on the group's income statement and balance sheet. Currency risks arise in the form of transaction and translation risks. The commercial net flows of foreign currencies on an annual basis amount to around SEK 350 m, of which USD represents approximately 70 percent. Each group company is responsible for hedging its own payment flows in foreign currencies. All forward hedging is performed exclusively in relation to OM Treasury, on market terms. It is OM's policy for 12 months' estimated currency flows to be fully hedged under forward contracts, 75 percent of contracted flows between 1-2 years and 50 percent of contracted flows 2 years and beyond. Deviations from the hedging level prescribed by this policy may take place depending on the operations' profitability and currency assessments. The impact on income of currency hedging in 2002 was SEK 30 m. The value of as yet unreported hedging amounted to SEK 6 m as at 31 December 2002.

In conjunction with the revaluation of assets and liabilities in OM's foreign subsidiaries into Swedish krona, changes to exchange rates can impact the group's balance sheet. This translation exposure is not hedged at present.

Interest rate and price risks
Interest rate risks refer to the risk of the negative impact on Group income arising from changes in market interest rates. The speed at which an enduring interest rate change can impact the Group's net interest income depends on the duration of OM's investments and borrowing. The duration of liabilities are normally short but can be extended to limit the negative impact of an interest rate increase. The average duration during 2002 varied between one and ten months. In accordance with OM's finance policy the average duration for OM's clearing capital for exchange and clearing operations may be up to a maximum of 4 years, with other liquidity invested with a short duration. OM's financial assets at the year-end totaled SEK 1,389 m and its borrowing liability was SEK 2,058 m. As at 31 December 2002 there were guaranteed credit facilities of SEK 3,700 m of which SEK 2,049 m had been utilized. As at December 31 the duration for borrowing stood at 7 months. The duration of OM's clearing capital for the exchange and clearing operations was 1.8 years. A fall in the Swedish bond interest rate of one percentage point would give rise to a positive/negative, non-recurring effect on the portfolio value of SEK 17 m.

Liquidity and credit risks
The group's financial transactions give rise to credit risks in relation to financial counterparties. Credit risks arise when investing liquid funds and counterparty risks arise when trading financial instruments. To limit these risks, OM only invests in low credit risk securities offering high liquidity, and will only deal with counterparties with a high credit rating. OM also uses ISDA agreements, which permit netting receivables and liabilities against the same counterparty.

Clearing risks
Stockholmsbörsen offers clearing for trading in both equities and fixed-income related derivative products. A trade cleared through Stockholmsbörsen means that Stockholmsbörsen guarantees that the trade is fulfilled by entering as the counterparty to both the buyer and the seller. Central counterparty clearing contributes to the creation of a more efficient market as all participants can act without the need to consider the original counterparty risk in their price picture. OM eliminates the counterparty risk by underwriting the liabilities that arise from each transaction between buyer and seller, such as settlement and delivery. As protection against the risks that consequently arise, Stockholmsbörsen requires members and investors to pledge collateral.

Stockholmsbörsen's clearing operations are located in Stockholm and London. Clearing at OM London Exchange is at the member level, while clearing in Stockholm is at the end-customer level. In addition to clearing exchange-traded derivative products, Stockholmsbörsen offers TMC, or Tailor-Made Contracts, a service for clearing OTC derivatives. By using this service, a clearing member can also avoid the counterparty risk for instruments that are traded off-exchange. During the year OM also operated clearing houses within UKPX, PULPEX, NGX and Jiway.

NOTE 25. Accrued expenses and prepaid revenue

	Group		Parent Company	
	2002	**2001**	**2002**	**2001**
Personnel expenses	67	77	8	11
Systems sales*	97	98	–	–
Facility Management*	23	14	–	–
Issuers' fees**	48	48	–	–
Other	181	155	39	10
Total	**416**	**392**	**47**	**21**

* Customer invoicing terms for projects are usually set within a contract and it is not uncommon that payments do not correspond to work carried out at a given time. Work that has been invoiced, but not yet carried out, is treated as a liability to the customer. During the period when the work to which the invoice relates is carried out, this liability is re-booked as revenue.

** Relates to listing fees paid by companies listed on Stockholmsbörsen. These fees are paid quarterly in advance and are based on the average market capitalization of a company over the preceding 12-month period.

NOTE 26. Due dates for receivables and liabilities

Due dates for receivables and liabilities are distributed as follows:

GROUP	**Within 12 months**	**Within 2-5 years**	**After 5 years**
Other long-term receivables	–	159	84
Accounts receivable	359	–	–
Other receivables	207	1	–
Prepaid expenses and accrued revenue	504	–	–
Convertible debentures	–	-55	–
Other long-term liabilities	–	-203	–
Liabilities to credit institutions	-1 802	–	–
Accounts payable	-215	–	–
Tax liabilities	-1	–	–
Other liabilities	-58	-2	–
Accrued expenses and prepaid revenue	-415	-1	
Total	**-1 421**	**-101**	**84**

PARENT COMPANY	**Within 12 months**	**Within 2-5 years**	**After 5 years**
Other long-term receivables	–	14	–
Receivables with group companies	566	–	–
Other receivables	5	–	–
Prepaid expenses and accrued revenue	35	–	–
Convertible debentures	–	-55	–
Other long-term liabilities	–	-200	–
Accounts payable	-2	–	–
Liabilities to group companies	-1 372	–	–
Tax liabilities	0	–	–
Other liabilities	-35	–	–
Accrued expenses and prepaid revenue	-47	–	–
Total	**-850**	**-241**	**–**

NOTE 27. Interest bearing and non-interest bearing receivables and liabilities

Interest-bearing and non-interest bearing receivables and liabilities are distributed as follows:

	Group 2002		**Parent Company 2002**	
	Interest bearing	Non- interest bearing	Interest bearing	Non- interest bearing
Intangible fixed assets	–	1 247	–	2
Tangible fixed assets	–	475	–	0
Financial fixed assets	109	743	14	2 673
Short-term receivables	5	1 066	–	606
Short-term investments	993	–	–	–
Cash and bank balances	282	–	0	–
Long-term liabilities	-256	-2	-255	–
Short-term liabilities	-1 802	-692	–	-1 456
Total	**-669**	**2 837**	**-241**	**1 825**

NOTE 28. Collateral pledged to Stockholmsbörsen and OM London Exchange

GROUP COMPANY	**2002**	**2001**
Stockholmsbörsen	5 116	7 041
OM London Exchange	1 669	2 676
Total	**6 785**	**9 717**

NOTE 29. Collateral pledged

GROUP COMPANY	**2002**	**2001**	
OM London Exchange	–	46	Leasehold deposit
OM Treasury AB	47	35	Leasehold deposit
OM AB	14	308	Hedging of employee stock option program
Total	**61**	**389**	

NOTE 30. Contingent liabilities

GROUP COMPANY	**2002**	**2001**	
OM AB	874	359	General surety given
OM Technology AB	37	–	
OM Treasury AG	–	1	
Total	**911**	**360**	

NOTE 31. Earnings per share

Earnings per share before dilution	**2002**	**2001**	**2000**
Net income for the year	-71	-25	730
Average number of shares outstanding	84 040 868	84 037 865	83 912 210
Earnings per share	**-0.85**	**-0.30**	**8.69**

Earnings per share after dilution	2002	2001	2000
Net income for the year	-71	-25	730
Interest on convertible debentures after tax	1.5	1	2
Net income for the year after full conversion	**-69.5**	**-24**	**732**
Average number of shares after full conversion and with full utilization of options**	84 818 818	84 818 818	84 818 818
Earnings per share	**-0.85***	**-0.30***	**8.63**

* Potential ordinary shares do not have a dilution effect when their conversion into ordinary shares increases earnings per share or if the average share price during the year has been lower than the current subscription price. Calculation of the average share price is based on the price on the last trading day of every month.

** For information relating to OM's employee stock options, convertible debentures and synthetic options see Note 6.

Change in the number of shares	2002	2001	2000
Outstanding number of shares at start of year	84 040 118	84 034 618	83 743 468
Conversion of convertibles	1 000	1 500	132 450
Conversion of warrants	–	4 000	158 700
Outstanding number of shares at the year-end	84 041 118	84 040 118	84 034 618

NOTE 32. Cash flow

Financial items

Financial items with an impact on cash flow were distributed as follows:

	Group		Parent Company	
	2002	2001	2002	2001
Income from shares in group companies				
Dividends	1	–	–	–
Total	**1**	**–**	**–**	**–**
Income from other securities and receivables that are fixed assets				
Dividends	21	18	1	2
Interest income	–	19	–	19
Total	**21**	**37**	**1**	**21**

Other interest income and similar items of revenue

Dividends	0	0	–	–
Interest	86	72	5	6
Interest-Group	–	–	–	–
Translation differences	–	18	5	–
Total	**86**	**90**	**10**	**6**

Interest expenses and similar expense items

Interest	-135	-150	-26	-36
Interest-Group	–	–	-41	-58
Translation differences	-11	–	–	–
Other	0	-4	–	–
Total	**-146**	**-154**	**-67**	**-94**

Total financial items	**-38**	**-27**	**-56**	**-67**

Cash flow from acquisitions and disposals

The cash flow from the acquisition of Energy Point AS and the remaining 50 percent of Power Clearing System AS is distributed as follows:

Group	**2002**	**2001**
Intangible fixed assets	56	25
Tangible fixed assets	1	1
Financial fixed assets	0	11
Receivables	2	3
Liquid funds	59	3
Long-term liabilities	0	-3
Short-term liabilities	-16	-26
Minority interests	–	–
Total purchase sum	**102**	**14**
Less: Liquid assets in acquired group companies	-59	-3
Cash flow from group companies acquired, net	43	11
Purchase sum – other acquisitions *	–	155
Cash flow from acquisitions (negative)	43	166

* Relates to the acquisition during the year of minority interests in subsidiaries.

During the year two subsidiaries were disposed of: OM Finans AB and Stockholms Optionsmarknad AB. The companies were sold for a total of SEK 143,000. Shareholders' equity in the companies amounted to SEK 116,000.

Items not affecting cash flow

Transactions relating to investment and financing operations that do not involve receipts and payments, despite the fact that they have an impact on the company's capital and asset structure, consist primarily of:

	Group		**Parent Company**	
Investment operations	**2002**	**2001**	**2002**	**2001**
Depreciation	323	359	3	26
Write-downs of other intangible assets	50	151	–	–
Write-downs of tangible assets	8	45	–	–
Reduction of deferred tax receivables	62	-269	76	-75
Reduction of deferred tax liabilities	58	–	–	–
Goodwill acquired during the year	42	168	–	–
Write-down of shareholders' equity in Näringslivskredit, NLK AB	300	–	–	–
Change in the provision for loss risks related to hedging of OM's employee stock option program	294	133	294	133
Financing operations				
No significant items				

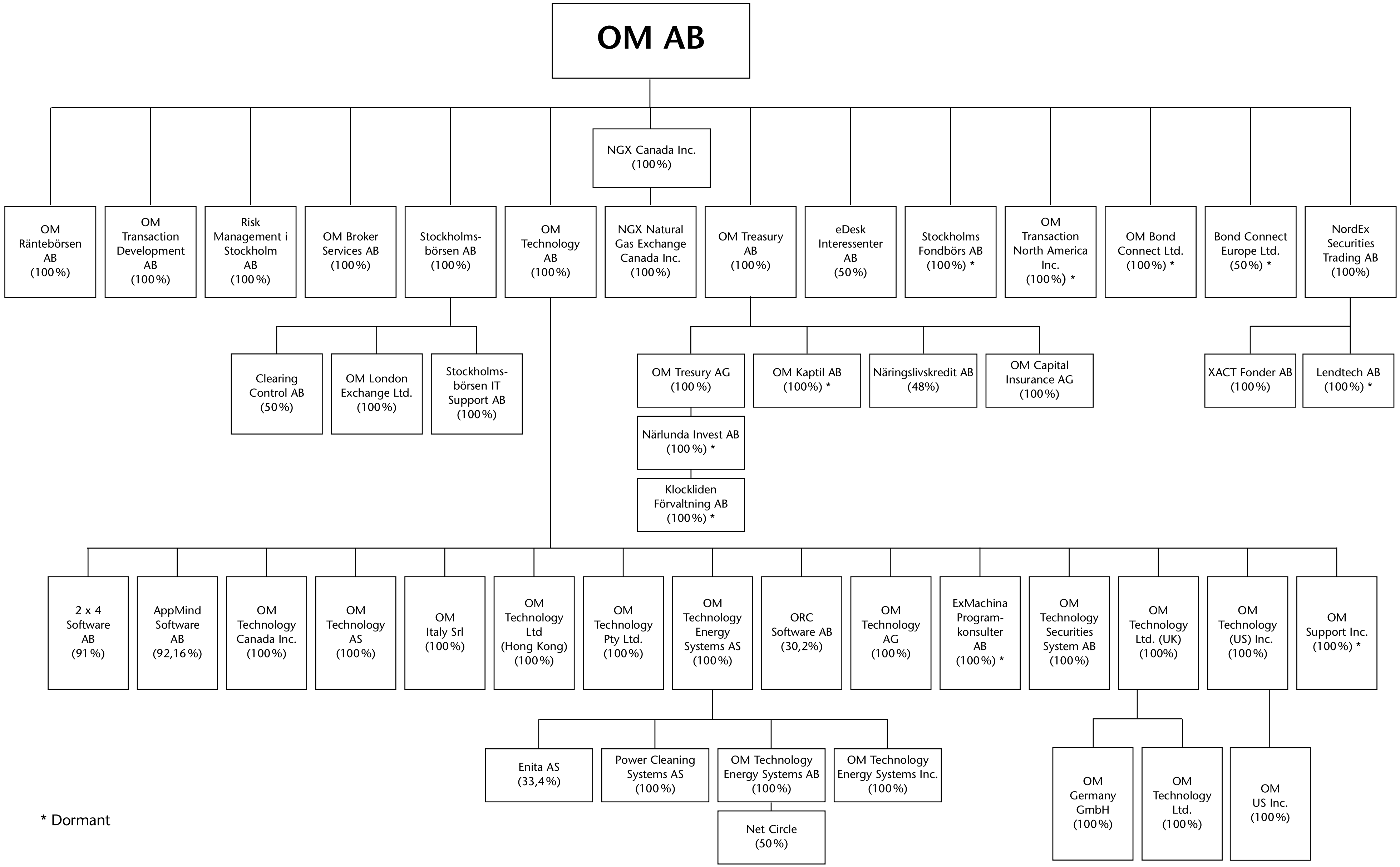
Liquidity and financing

Interest-bearing net assets amounted to SEK -669 m (SEK -119 m) at the end of the reporting period. OM's interest-bearing financial assets totaled SEK 1,389 m (SEK 2,013 m), of which SEK 109 m (SEK 359 m) were financial fixed assets.

Interest-bearing financial liabilities amounted to SEK 2,058 m (SEK 2,132 m), of which SEK 56 m (SEK 55 m) were long-term.

Agreed credit facilities amounted to SEK 3,700 m (SEK 2,910), of which SEK 2,049 m (SEK 2,060 m) was utilized. Liquid funds totaled SEK 1,275 m (SEK 1,654 m) and consisted of short-term investments and cash and bank balances.

ORGANIZATION CHART – OM AS PER 10 JUNE 2003



* Dormant

AUDITORS' REPORTS FOR THE FINANCIAL YEARS 2002, 2001 AND 2000

Auditors' report for the financial year 2002

To the general meeting of shareholders of OM
Corporate identity number 5556243-8001

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and Managing Director of OM for the year 2002. These accounts and the administration of the company are the responsibility of the Board of Directors and the Managing Director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration of the company based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report and consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and Managing Director, as well as evaluating the overall presentation of information in the annual accounts and consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to determine the liability to the company, if any, of any Board member or of the Managing Director. We also examined whether any Board member or the Managing Director has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Article of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and thereby give a true and fair view of the company and group's financial positions and of the results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets for the parent company and the group be adopted, that the profit for the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 28 January 2003

Björn Fernström
Authorized Public Accountant

Stephan Tolstoy
Authorized Public Accountant

Auditors' report for the financial year 2001

To the general meeting of the shareholders of OM AB.

Corporate identity number 556243-8001

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the managing director of OM AB for the year 2001. These accounts and the administration of the company are the responsibility of the Board of Directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the managing director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the financial position of the company's and the group's financial position and of the results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of the shareholders that the income statements and the balance sheets of the parent company and the group be adopted, that the profit for the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the managing director be discharged from liability for the financial year.

Stockholm, 23 January 2002

Björn Fernström
Authorized Public Accountant

Stephan Tolstoy
Authorized Public Accountant

Auditors' report for the financial year 2000

To the Annual General Meeting of OM Gruppen AB (publ), Co. reg. no. 556243-8001.

We have audited the Parent Company and consolidated financial statements, the accounts and administration of the Board of Directors and Chief Executive Officer of OM Gruppen AB for 2000. These accounts and the administration of the company are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express an opinion on the Parent Company and consolidated financial statements, and administration based on our audit.

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Parent Company and consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of information in the financial statements. We examined significant decisions, actions taken and circumstances of the company in order to be able to determine the possible liability to the company of any Board member or the Chief Executive Officer or whether they have in some other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides us with a reasonable basis for our opinions set out below.

The Parent Company and consolidated financial statements have been prepared in accordance with the Annual Accounts Act, and give a true and fair view of the result of operations and of the financial position of the Parent Company and the Group in accordance with generally accepted accounting standards in Sweden.

We recommend that the income statements and the balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Directors' Report and that the Members of the Board and the Chief Executive Officer be discharged from liability for the financial year.

Stockholm, 23 January 2001

Björn Fernström
Authorized Public Accountant

Stephan Tolstoy
Authorized Public Accountant

INTERIM REPORT JANUARY – MARCH 2003

Group structure

Global economic downturn and political instability had a major impact on the world's financial markets during the first quarter of 2003. For OM this meant a continuation of last year's weak markets and a decrease in revenue within its exchange and technology operations. Trading volumes on Stockholmsbörsen fell while companies on the financial and energy markets remained cautious regarding IT investment decisions. Nevertheless, OM is convinced that the long-term driving forces behind a growing demand for transaction technology remain strong.

During the quarter OM completed the cost efficiency program initiated during 2002 according to plan and introduced further measures in conjunction with a reorganization.

Revenue and income

OM's revenue fell by 13 percent to SEK 612 m (SEK 703 m during the corresponding period last year) during the quarter. Group operating expenses fell during the same period by 11 percent, to SEK 598 m (SEK 670 m).

The two cost-reduction programs launched by OM during 2002 have now been completed according to plan. The group-wide cost-reduction program initiated during the second quarter 2002 was aimed at reducing group operating expenses by SEK 45 m on a quarterly basis, with full effect from the first quarter 2003. During the fourth quarter 2002 Jiway was closed down, which was estimated to reduce group operating expenses by an additional SEK 20 m on a quarterly basis. Operating expenses during the second quarter 2002 were SEK 664 m, excluding items affecting comparability. During the first quarter 2003, group operating expenses fell to SEK 598 m.

Since OM introduced a series of cost-reduction measures in the second quarter 2001, group operating expenses have fallen by over SEK 1 billion on a yearly basis, equivalent to a reduction in total expenses per employee of 35 percent. The reorganization initiated during the first quarter 2003 is expected to further decrease OM's operating expenses by SEK 60 m on a yearly basis, with full effect expected from the first quarter 2004.

Group income before depreciation amounted to SEK 97 m (SEK 119 m) during the reporting period. Operating income was SEK 22 m (SEK 42 m). Income after financial items totaled SEK 11 m (SEK 26 m), while income after tax totaled SEK 8 m (SEK 20 m).

The number of employees at the period-end was 1,608 (1,637), with 1,311 (1,278) in OM’s technology operations, 205 (244) at Stockholmsbörsen and 92 (115) in the parent company. The number of consultants contracted by OM totaled 129 (181) at period-end.

GROUP EARNINGS DEVELOPMENT PER QUARTER*

SEK m	Q1-03	Q4-02	Q3-02	Q2-02	Q1-02
Revenue	612	644	580	713	703
Technology operations	417	464	417	526	453
Stockholmsbörsen	234	232	220	228	285
Parent company	41	63	41	50	51
Group eliminations	-80	-115	-98	-91	-86
Operating expenses	-598	-710	-623	-699	-670
Operating income	22	-56	-34	23	42
Income after financial items	11	-67	-47	32	26
Income after tax	8	-69	-47	25	20
Earnings per share	0.09	-0.82	-0.56	0.30	0.23

* All figures up to introduction of the new organization, January 2003, are pro forma.

Performance per business area

OM's operations are organized in five business areas: Banks & Brokers, Energy Markets, Financial Markets, Global Services and Stockholmsbörsen. The first four constitute OM's technology operations.

Technology operations

Revenue from OM's technology operations totaled SEK 417 m (SEK 453 m) during the first quarter. This decrease can be attributed to the continued low levels of investment by financial companies and to a reduction in internal sales. Lower transaction based revenue relating to facility management services has also had a negative impact on revenue during the period.

At the end of the reporting period, the order value was SEK 2,944 m (SEK 3,444 m), of which orders corresponding to SEK 1,086 m (SEK 1,223 m) are due for delivery during the coming twelve months. The total order value includes orders for Stockholmsbörsen of SEK 742 m (SEK 825 m). Operating income before depreciation within technology operations totaled SEK 13 m (SEK 28 m) corresponding to an operating margin of 6 (10) percent excluding internal sales. Internal sales to Stockholmsbörsen fell to SEK 45 m (SEK 60 m), primarily due to the restructuring of Jiway. Investments in R&D were SEK 51 m (SEK 60 m), corresponding to 12 (13) percent of turnover, of which SEK 33 m (SEK 10 m) has been capitalized.

Common functions in technology operations comprise mainly marketing and business development, expenses that are not included in the following analysis of income per business area.

Revenue within the business area **Banks & Brokers** totaled SEK 82 m (SEK 103 m). Income before depreciation was SEK -8 m (SEK -28 m). Lower transaction based revenue from back-office-for-hire was the main cause of this deficit. Nevertheless, income has improved as a result of restructuring measures implemented in 2002.

Revenue in **Energy Markets** totaled SEK 77 m (SEK 68 m). Income before depreciation was SEK -5 m (SEK -10 m). The increase in revenue and improved income levels are primarily due to a rise in the number of systems sales to the Nordic region and Germany, as well as to increased trading activity on NGX. UKPX, the UK's leading electricity exchange, had an SEK -11 m (SEK -14 m) impact on business area income during the reporting period. Trading on NGX, North America's leading gas exchange, was up 44 percent. NGX is profitable.

Revenue in **Financial Markets** totaled SEK 169 m (SEK 200 m). Income before depreciation amounted to SEK 40 m (SEK 76 m). The fall in sales and income is attributable to the continued low level of investments in systems solutions among exchanges, clearing houses and CSDs.

Revenue in **Global Services** totaled SEK 121 m (SEK 139 m). Income before depreciation was SEK 15 m (SEK 11 m), with the drop in revenue largely due to the decrease in internal sales to Stockholmsbörsen and Jiway. Income improved as a result of cost-efficiency measures implemented in 2002.

Stockholmsbörsen

At the quarter-end Stockholmsbörsen's OMX-Index had fallen by 38 percent year-on-year. Falling share prices have resulted in significantly lower equity trading turnover measured by value, as well as in lower option premiums. The number of derivatives contracts traded increased year-on-year. Turnover velocity remained high in international terms and the number of transactions decreased only marginally.

REVENUE AND INCOME PER BUSINESS AREA IN TECHNOLOGY OPERATIONS*

Revenues in SEK m	Jan-Mar 2003	Jan-Mar 2002	April-Mar 2002/2003	Jan-Dec 2002
Banks & Brokers	82	103	381	402
Energy Markets	77	68	283	274
Financial Markets	169	200	650	681
Global Services	121	139	529	547
Other items	3	7	152**	156**
Eliminations***	-35	-64	-171	-200
Total Technology Operations	417	453	1 824	1 860
Operating income before depreciation (EBITDA)				
Banks & Brokers	-8	-28	5	-15
Energy Markets	-5	-10	-74	-79
Financial Markets	40	76	165	201
Global Services	15	11	70	66
Common functions****	-35	-28	-121	-114
Other items *****	6	7	101	102
Total Technology Operations	13	28	146	161

* All figures up to the introduction of the new organization, January 2003, are pro forma.
** Includes income from the sale of shares in Orc Software of SEK 75 m during the second quarter 2002.
*** The increase in eliminations is due to the fact that OM's internal IT in the new organization is a part of Global Services.
**** Common functions comprise primarily marketing and business development.
***** Includes income from the shares in associated company, Orc Software.

Average daily equity trading turnover on Stockholmsbörsen fell to SEK 8.8 (SEK 14.3) billion during the quarter, with turnover velocity at 123 (132) percent. The average number of equity transactions was 35,677 (37,281) per day. The number of derivatives contracts traded on Stockholmsbörsen and OM London Exchange increased to 271,295 (269,094) per day. The average equity option premium fell year-on-year to SEK 318 (SEK 738) per contract.

During the reporting period Stockholmsbörsen's revenue totaled SEK 234 m (SEK 285 m). The decline is largely due to lower trading revenue as a result of decreased turnover in equity trading and lower equity option premiums. Operating income before depreciation was SEK 115 m (SEK 116 m). The improved operating margin was primarily due to the closure of Jiway as well as to cost-efficiency measures carried out. Stockholmsbörsen's expensed investments in R&D totaled SEK 3 m (SEK 4 m).

Contributing to raising confidence in the equity market has continued to be a priority for Stockholmsbörsen. Work in this area has included the arrangement of a Stock Exchange Seminar in collaboration with all market participants to address these issues. Furthermore, during the quarter Stockholmsbörsen's Disciplinary Committee fined one company and also issued warnings to three companies for breach of their listing contracts during the quarter.

Other significant information

Financial position

Total assets fell to SEK 4,899 m (SEK 6,160 m). The equity/assets ratio increased to 40 (36) percent. OM's interest-bearing net liabilities were SEK -997 m (SEK -193 m) at the end of the reporting period. The change since the year-end 2002 was primarily due to a temporary increase in receivables within Stockholmsbörsen's clearing operations of over SEK 200 m and to a dividend payment to shareholders of SEK 84 m. The year-on-year change was due primarily to redistributing collateral for OM's employee stock option program, which has reduced interest-bearing assets by SEK 439 m, please see "Employee stock option program". Interest-bearing net assets have also been affected by cash flow from operations and the closure of Jiway. Interest-bearing financial assets totaled SEK 1,275 m (SEK 2,210 m), of which SEK 104 m (SEK 467 m) were financial fixed assets. Interest-bearing financial liabilities totaled SEK 2,272 m (SEK 2,403 m), of which SEK 256 m (SEK 55 m) are long-term. Available credit agreements amounted to SEK 3,700 m (SEK 3,050 m), of which SEK 2,208 m (SEK 2,403 m) has been utilized.

Parent company

OM AB's operations include group management. Net sales totaled SEK 18 m (SEK 20 m). Income before appropriations and tax amounted to SEK -51 m (SEK -51 m). Liquid assets were SEK 0 m (SEK 2 m). No investments were made during the reporting period.

Outlook

Assuming that weak markets continue during the second quarter of the year, revenue from OM's technology operations is expected to be in line with that of the first quarter.

OM AB (publ)
Stockholm, 16 April 2003

Per E. Larsson
President and Chief Executive Officer

REVENUE AND INCOME DIVIDED BETWEEN OM'S TECHNOLOGY OPERATIONS AND STOCKHOLMSBÖRSEN*

Amounts in SEK m	Jan-Mar 2003	Jan-Mar 2002	April-Mar 2002/2003	Jan-Dec 2002
Technology operations	**417**	**453**	**1 824**	**1 860**
License-, support- and project revenue	247	289	1 015	1 057
Facility Management Services	139	149	574	584
Other revenue	31	15	235**	219**
Stockholmsbörsen	**234**	**285**	**914**	**965**
Trading revenue	147	179	551	583
Issuers' revenue	39	43	170	174
Information sales	28	32	113	117
Other revenue	20	31	80	91
Parent company***	41	51	195	205
Group eliminations****	-80	-86	-384	-390
Group total	**612**	**703**	**2 549**	**2 640**
Operating income before depreciation (EBITDA)				
Technology operations	13	28	146	161
Stockholmsbörsen	115	116	347	348
Parent company and other functions	-31	-25	-85	-78
Items affecting comparability	-	-	-127	-127
Group total	**97**	**119**	**281**	**304**
Operating income after depreciation (EBIT)				
Technology operations	-35	-15	-40	-19
Stockholmsbörsen	102	98	291	287
Parent company and other functions	-45	-41	-164	-160
Items affecting comparability	0	0	-132	-132
Group total	**22**	**42**	**-45**	**-24**

* All figures up to the introduction of the new organization, January 2003, are pro forma. Figures for 2002 include operations under closure. See "Operations under closure".

** Includes income from the sale of shares in Orc Software of SEK 75 m during the second quarter 2002.

*** The parent company and other functions include, in addition to the parent company, primarily OM Treasury AB, OM Capital Insurance AG and XACT Fonder AB.

**** Internal sales from OM's technology operations, mainly to OM's exchanges, totaled SEK 45 m (SEK 60 m).

INCOME STATEMENT *

Amounts in SEK m	Jan-Mar 2003	Jan-Mar 2002	April-Mar 2002/2003	Jan-Dec 2002
Revenue				
Net sales, of which	612	703	2 549	2 640
Own work capitalized	29	6	103	80
Total revenue	612	703	2 549	2 640
Expenses				
External expenses				
Premises	-50	-59	-211	-220
Marketing expenses	-9	-14	-49	-54
Consultancy expenses	-61	-94	-257	-289
Operational and maintenance expenses, IT	-54	-76	-250	-272
Other operating expenses	-50	-60	-230	-241
Personnel expenses	-299	-290	-1 181	-1 171
Depreciation	-42	-45	-190	-194
Depreciation, goodwill	-33	-32	-131	-129
Items affecting comparability	0	0	-132	-132
Total operating expenses	**-598**	**-670**	**-2 631**	**-2 702**
Participations in associated companies' income	8	9	37	38
Operating income	**22**	**42**	**-45**	**-24**
Financial items	-11	-16	-27	-32
Income after financial items	**11**	**26**	**-72**	**-56**
Tax on net income	-3	-6	-11	-15
Net income in reporting period	**8**	**20**	**-83**	**-71**
Number of shares, m	84.041	84.041	84.041	84.041
Number of shares after full conversion, m	84.819	84.819	84.819	84.819
Earnings per share, SEK	0.09	0.23	-0.99	-0.85
Earnings per share after full conversion, SEK	0.09	0.23	-0.99	-0.85

* Figures for 2002 include operations under closure, see ”Operations under closure”.

BALANCE SHEET

Amounts in SEK m	March 2003	March 2002	Dec 2002
Intangible fixed assets	1 241	1 284	1 247
Tangible fixed assets	462	517	475
Financial fixed assets	845	1 563	852
Short-term receivables	1 183	1 060	1 071
Short-term investments	1 010	1 448	993
Cash and bank balances	158	288	282
Total assets	**4 899**	**6 160**	**4 920**
Shareholders' equity	1 938	2 190	2 017
Appropriations	104	595	151
Long-term liabilities	258	66	258
Short-term liabilities	2 599	3 309	2 494
Total liabilities and shareholders’ equity	**4 899**	**6 160**	**4 920**

CHANGE IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Jan-March 2003	Jan-March 2002	Jan-Dec 2002
Shareholders' equity – opening balance	2 017	2 257	2 257
Dividend	-84	-84	-84
Conversion of debenture and exercise of warrants	-	0	-
Employee stock options	-6	-15	-142
Translation differences	3	12	50
Other	-	0	7
Net income in reporting period	8	20	-71
Shareholders' equity – closing balance	1 938	2 190	2 017

CASH FLOW ANALYSIS

Amounts in SEK m	Jan-March 2003	Jan-March 2002	Jan-Dec 2002
Cash flow from current operations before changes in working capital	84	22	-23
Changes in working capital*	-167	-52	112
Cash flow from current operations	**-83**	**-30**	**89**
Cash flow from investment operations	-65	-38	-158
Cash flow from financing operations	41	150	-310
Change in liquid funds **	-107	82	-379
Liquid funds – opening balance	1 275	1 654	1 654
Liquid funds – closing balance	1 168	1 736	1 275

* Changes in short-term liabilities to credit institutions are reported under "Financing operations".
** Liquid funds comprise short-term investments and cash and bank balances.

INVESTMENTS IN R&D

Amounts in SEK m (of which expensed)	Jan-March 2003	Jan-March 2002	April-March 2002/2003	Jan-Dec 2002
Technology operations	51 (18)	60 (50)	231 (100)	240 (132)
Stockholmsbörsen	3 (3)	4 (4)	13 (13)	14 (14)
Group total	**54 (21)**	**64 (54)**	**244 (113)**	**254 (146)**

Notes to the Income statement

Group net sales totaled SEK 612 m during the first quarter, of which SEK 29 m was capitalized for own work, primarily related to the development of EXIGO CSD™. In the item "Own work capitalized" revenue is recognized from work carried out during the financial year on company assets that have been carried forward as fixed assets, including R&D expenses carried forward.

Group operating expenses fell by 11 percent year-on-year. The reduction in premises expenses, marketing expenses, consultancy expenses and operational and maintenance expenses, IT, was largely due to the cost-efficiency program. Depreciation has decreased primarily due to the closure of Jiway, see "Operations under closure". Participations in associated companies' income were from Orc Software and NLK Näringslivskredit. Items affecting comparability during the financial year 2002 consisted of restructuring expenses in conjunction with the cost-efficiency program and closure expenses relating to Jiway.

Group net financial items totaled SEK -11 m (SEK -16 m). The increase in this figure is attributable to the drop in market interest rates.

The group's tax expense for 2003 is estimated at around 30 percent.

Notes to the Balance sheet

Intangible fixed assets of SEK 1,241 m (SEK 1,284 m) include SEK 862 m (SEK 958 m) of consolidated goodwill, most of which relates to the acquisition of Stockholm Stock Exchange in January 1998. The remaining intangible assets of SEK 379 m (SEK 326 m) are development expenses carried forward for systems products marketed by OM. These are depreciated over 3-5 years and the values are continuously monitored against current market conditions.

Group investments in intangible fixed assets totaled SEK 49 m (SEK 10 m). Investments in equipment amounted to SEK 12 m (SEK 24 m). The reduction in financial fixed assets to SEK 845 m (SEK 1,563 m) compared to the end of the first quarter 2002 was primarily due to deposits made for the employee option program as well as to the increase in deferred tax receivables. The market value of OM's holding in Orc Software (4.5 million shares) was SEK 278 m at the period-end with the book value of this holding at SEK 88 m. OM owns 15.6 percent of the share capital of Helsinki Exchanges, with the book value of this holding at SEK 72 m. OM's employee stock option program had an SEK -6 m impact on shareholders' equity during the first quarter, as discussed below. A dividend of SEK 84 m was paid out to shareholders during the reporting period.

Notes to the Change in shareholders' equity

The reduction in shareholders' equity year-on-year was primarily due to the dividend payment made to shareholders in March 2003 as well as to the effects of a swap contract used to hedge OM's employee stock option program as discussed below.

Notes to the Cash flow analysis

Cash flow from current operations consisted of income after net financial items with depreciation added back. Certain restructuring expenses incurred in 2001 impacted cash flow in 2002. The negative change in operating capital was mainly due to a temporary increase in receivables within Stockholmsbörsen's clearing operations. During the period a dividend payment of SEK 84 m was made to shareholders, reported under cash flow from financing operations.

Employee stock option program

The three employee stock option programs that OM launched in 2000, 2001 and 2002 have strike prices of SEK 400, SEK 175 and SEK 71 respectively. In total, outstanding option programs comprise a maximum of 2.5 million shares.

To provide a hedge for its stock option program, OM entered into a swap transaction in 2000 with a third party for the delivery of existing shares. The transaction, which can be described as a stock repurchase, means that OM has hedged against the risk of an increase in the OM share price but not a decrease. The fall in OM's share price from SEK 371 m in the summer of 2000 to SEK 37.30 on 31 March 2003 has resulted in a reduction in shareholders' equity of SEK 467 m, of which the reduction during the first quarter 2003 was SEK 6 m. During 2002 OM changed counterparty in its swap transaction, which led to the realization of this price decrease. As the share price decrease had been previously secured through a deposit, this redistribution increased financial net debt by SEK 439 m during 2002.

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation on Interim Reporting (RR 20). OM has applied the same accounting principles that were detailed in its most recent annual report.

New organization

In January 2003 OM decided to form a new business area, Banks & Brokers. This new business area is based largely on the operations that were previously a part of the former Broker Services business area as well as operations within the former Financial Market Solutions business area that develop systems solutions for banks and brokerage firms. Furthermore, the business areas Financial Market Solutions and Energy Market Solutions have changed their names to Financial Markets and Energy Markets respectively.

In conjunction with the reorganization, certain functions have been moved from the business areas to the parent company and other functions.

Comparative figures in this report are pro forma, i.e. are historically comparable from the perspective of the new organization's composition.

OPERATIONS UNDER CLOSURE*

Amounts in SEK m	Jan-March 2003	Jan-March 2002	April-March 2002/2003	Jan-Dec 2002
Revenue				
Net sales, of which	-	0	3	3
Own work capitalized	-	-	-	-
Total revenue	-	**0**	**3**	**3**
External expenses				
Premises	-	-1	-5	-6
Marketing expenses	-	-1	0	-1
Consultancy expenses	-	-6	-10	-16
Operational and maintenance expenses, IT	-	-5	-23	-28
Other operating expenses	-	-2	-8	-10
Personnel expenses	-	-5	-12	-17
Depreciation	-	-2	-2	-4
Depreciation, goodwill	-	-	-	-
Items affecting comparability	-	-	-75	-75
Total operating expenses	-	**-22**	**-135**	**-157**
Participations in associated companies' income	-	-	-	-
Operating income	-	**-22**	**-132**	**-154**
Financial items	-	0	-1	-1
Income after financial items	-	-22	-133	-155
Tax	-	0	0	0
Net income in reporting period	-	**-22**	**-133**	**-155**

* Relates to Jiway. As at 31 December 2001, following its reconstruction, Jiway's net assets totaled SEK 5 m, which have been disposed of successively. During 2003, Jiway's closure is expected to have a negative impact on cash flow of approximately SEK 59 m.

KEY FIGURES*

	Jan-March 2003	Jan-March 2002	Jan-March 2001	Jan-Dec 2002
Earnings per share	0.09	0.23	0.73	-0.85
Share price (31-03-2003), SEK	37.3	127	185	41.6
Average number of OM shares traded per day, thousands	164	208	132	204
P/E ratio**	n.a.	n.a.	29	n.a.
Shareholders' equity per share, SEK	23	26	29	24
Share price (31-03-2003)/shareholders equity, per share, SEK	1.62	5	6	1.73
Return on shareholders' equity, % **	n.a.	n.a.	21	n.a.
Return on capital employed, % ***	1.8	n.a.	21	2.1
Equity/asset ratio,%	40	36	48	41
Number of employees at period-end	1 608	1 637	1 480	1 633
Average number of employees	1 620	1 614	1 417	1 677

* After full conversion and tax. Definitions of all key ratios are given on page 84 of OM's Annual Report 2002.
** Calculation performed on a rolling basis on the income of the last 12 months.
*** 12-month rolling income before interest expenses and tax in relation to average shareholders' equity with the addition of interest-bearing liabilities.

B. FINANCIAL INFORMATION – HEX

PROFIT AND LOSS STATEMENT

		Group				Parent company		
EUR 1 000 **TURNOVER**	Note	**2002**	**2001**	**2000**	Note	**2002**	**2001**	**2000**
Settlement income	1	1 130 643	579 683	1 528 787		-	-	-
Settlement expenses	1	-1 130 643	-579 683	-1 528 787		-	-	-
Fee income	2	34 509	36 736	38 677		-	-	-
Other income	2	58 406	55 314	36 108	2	25 120	21 203	11 937
		92 915	92 050	74 785		25 120	21 203	11 937
Personnel expenses	3	-26 668	-24 146	-14 776	3	-11 053	-10 380	-4 516
Depreciation, amortization and write-downs								
Depreciations according to plan	5	-8 124	-7 661	-6 398	5	-2 921	-1 768	-409
Other operating expenses		-30 707	-30 212	-22 864		-13 480	-11 758	-6 924
OPERATING PROFIT/LOSS		**27 416**	**30 031**	**30 747**		**-2 334**	**-2 703**	**88**
Financial income and expenses								
Other interest and financial income								
Intercompany		-	-	-		535	1 820	5 210
Other companies		2 053	2 670	1 936		2 290	3 043	6
Reduction in value of investments held as current assets		-478	-303	-110		-	-	-15
Interest and other financial expenses								
Intercompany		-	-	-		-1 117	-923	-356
Other companies		-411	-162	-184		-10	-11	-7
		1 164	2 205	1 642		1 698	3 929	4 838
PROFIT BEFORE EXTRAORDINARY ITEMS		**28 580**	**32 236**	**32 389**		**-636**	**1 226**	**4 926**
Extraordinary items								
Extraordinary income	6	-	2 472	8 800	6	25 000	22 472	28 800
Extraordinary expenses	6	-215	-2 472	-8 908	6	-10 000	-8 472	-11 408
		-215	-	-108		15 000	14 000	17 392
PROFIT BEFORE APPROPRIATIONS AND TAXES		**28 365**	**32 236**	**32 281**		**14 364**	**15 226**	**22 318**
Appropriations	7				7			
Difference between actual and planned depreciation and amortization (increase (-) or decrease (+))		-	-	-		324	-69	-328
Income taxes	8	-8 444	-9 389	-9 310	8	-4 837	-3 950	-7 599
Minority interest		57	-9	-		-	-	-
NET PROFIT		**19 978**	**22 838**	**22 971**		**9 851**	**11 207**	**14 391**

BALANCE SHEET

EUR 1 000		Group							Parent company					
ASSETS	**Note**	**2002**		**2001**		**2000**		**Note**	**2002**		**2001**		**2000**	
FIXED ASSETS	9							9						
Intangible assets														
Intangible rights		2 860		3 411		1 883			2 143		3 033		1 478	
Goodwill		2 096		2 430		-			-		-		-	
Other intangible assets		11 293	16 249	6 905	12 746	6 586	8 469		1 070	3 213	656	3 689	288	1 766
Tangible assets														
Machinery and equipment			8 511		7 698		5 317			3 327		3 280		2 203
Investments														
Investments in subsidiaries			-		-		-	10	39 881		38 356		36 996	
Other shares and holdings			725		614		990		440	40 321	440	38 796	970	37 966
CURRENT ASSETS														
Deferred tax assets	17		1 835		4 214		2 552			-		-		-
Short-term receivables	11							11						
Settlement receivables		411		101 912		22			-		-		-	
Fee receivables		14		415		218			-		-		-	
Sales receivables		8 309		9 517		8 351			23		18		4	
Receivables from group companies		-		-		-			15 045		11 672		34 621	
Loan receivables		-		-		79			-		-		79	
Other receivables		880		2 323		3 014			-		-		5	
Prepaid expenses and accrued income		12 652	22 266	4 947	119 114	11 153	22 837		2 854	17 922	865	12 555	9 326	44 035
Short-term investments	12							12						
Other short-term investments			57 139		56 647		41 017			9 068		12 490		5 010
Cash in hand and at banks			4 514		11 835		7 978			208		725		449
Total assets			**111 239**		**212 868**		**89 160**			**74 059**		**71 535**		**91 429**
SHAREHOLDERS' EQUITY AND LIABILITIES														
Shareholders' equity	13							13						
Share capital			26 943		26 943		26 943			26 943		26 943		26 943
Premium fund			3 465		3 465		3 465			3 465		3 465		3 465
Reserve fund			565		564		564			565		564		564
Retained earnings			33 364		24 060		11 866			7 529		9 794		6 180
Net profit			19 978		22 838		22 971			9 851		11 207		14 391
Total SHAREHOLDERS' EQUITY			84 315		77 870		65 809			48 353		51 973		51 543
MINORITY INTEREST			1 041		761		-			-		-		-
ACCUMULATED APPROPRIATIONS														
Accumulated depreciation in excess of plan	15		-		-		-	15		121		445		377
PROVISIONS														
Other provisions	16		-		11 380		8 800			-		-		3 984
LIABILITIES														
Deferred tax liabilities	17		88		190		168			-		-		-
Long-term liabilities														
Other debts			182		72		-			-		-		-
Short-term liabilities	18							18						
Settlement debts		492		101 919		22			-		-		-	
Accounts payable		2 197		3 514		2 144			452		1 935		1 018	
Liabilities to group companies		-		-		-			17 765		11 970		28 981	
Other liabilities		670		637		593			212		210		251	
Accrued expenses and prepaid income		22 254	25 613	16 525	122 595	11 624	14 383		7 156	25 585	5 002	19 117	5 275	35 525
Total shareholders' equity and liabilities			**111 239**		**212 868**		**89 160**			**74 059**		**71 535**		**91 429**

CASH FLOW STATEMENT

	Group			Parent company		
EUR 1 000	**2002**	**2001**	**2000**	**2002**	**2001**	**2000**
Cash flow from operations						
Operating profit	27 416	30 031	30 747	-2 334	-2 703	88
Adjustments						
Depreciation and amortization	8 124	7 488	6 398	2 921	1 768	409
Financial income and expenses	1 164	2 205	1 642	123	914	1 304
Cash flow before working capital changes	36 704	39 724	38 787	710	-21	1 801
Change in working capital						
Increase (-) / decrease (+) in current non-interest bearing receivables	108 254	-96 724	-6 722	-3 454	31 033	-31 084
Increase (+) / decrease (-) in current non-interest bearing payables	-102 439	104 479	4 863	6 054	-21 407	31 307
Cash flow from business operations before financial items and taxes	42 519	47 479	36 928	3 310	9 605	2 024
Income taxes paid	-23 325	-3 449	-9 623	-6 335	-2 489	-5 756
Cash flow from operations	19 194	44 030	27 305	-3 025	7 116	-3 732
Cash flow from investments						
Investments in tangible and intangible assets	-12 552	-13 767	-8 191	-2 492	-4 767	-4 131
Investments in group company	-	-	-	-1 525	-1 360	-
Proceeds from the sale of other investments	-	-	-	-	531	-
Purchases of other shares	-	-	-975	-	-2	-954
Cash flow from investments	-12 552	-13 767	-9 166	-4 017	-5 598	-5 085
Cash flow from financing						
Dividends paid	-13 472	-10 777	-6 797	-13 472	-10 777	-6 797
Dividends received	-	-	-	1 575	3 015	3 534
Paid and received group contributions	-	-	-	15 000	14 000	17 500
Cash flow from financing	-13 472	-10 777	-6 797	3 103	6 238	14 237
Change in cash and equivalents	-6 830	19 486	11 342	-3 939	7 756	5 420
Cash and equivalents on 1 January	68 482	48 996	37 654	13 215	5 459	38
Cash and equivalents on 31 December	61 652	68 482	48 996	9 276	13 215	5 458

NOTES TO THE FINANCIAL STATEMENTS

Extent of consolidated financial statements

In addition to the parent company, Finnish Central Securities Depository Ltd, Helsinki Securities and Derivatives Exchange, Clearing House Ltd, HEX Securities Services Ltd Oy, HEX Back Office and Custody Services Ltd, HEX Securities Technology Ltd Oy, AS Tallinna Börs, AS Eesti Väärtpaberikeskus, AS Arvelduskoda, a/s Rīgas Fondu Birža (Riga Stock Exchange), a/s Latvijas Centrālais Depozitārijs (Latvian Central Depository), HEX Information Services Ltd, Helsingin Arvopaperiparkki Oy and Hexfiles Oy are included in the consolidated financial statements for 2002.

New subsidiaries are included in the group's accounts as follows: HEX Information Services Ltd as of 31 January 2002 and a/s Rīgas Fondu Birža and a/ s Latvijas Centrālais Depozitārijs as of 1 September 2002.

Hexfiles Oy, Helsingin Arvopaperiparkki Oy and AS Arvelduskoda had no activity during the financial periods 2002 and 2001.

In addition to the parent company, Finnish Central Securities Depository Ltd, Helsinki Securities and Derivatives Exchange, Clearing House Ltd, HEX Securities Services Ltd Oy, HEX Securities Technology Ltd Oy, Helsingin Arvopaperiparkki Oy, and Hexfiles Oy, are included in the consolidated financial statements for 2001. New subsidiaries AS Tallinna Börs, AS Eesti Väärtpaberikeskus and AS Arvelduskoda were included in the Group's accounts as of 1 May 2001 and HEX Back Office and Custody Services Ltd as of 1 October 2001.

Consolidation principles

The consolidated financial statements have been prepared according to the acquisition cost method.

The difference between the acquisition cost and the equity equaling the shares acquired in the subsidiary companies AS Tallinna Börs and HEX Back Office and Custody Services Ltd and Riga Stock Exchange has been partly allocated to fixed assets and partly presented as goodwill.

Intercompany transactions, gross margins, and intercompany receivables and liabilities have been eliminated in the consolidated financial accounts.

The financial statement items of foreign subsidiaries have been translated into euro at the average exchange rate on the account closing date. The translation difference has been presented in retained earnings.

Deferred tax assets and deferred tax liabilities are calculated on the basis of temporary differences arising between the tax basis of assets and liabilities and the financial accounts.The tax rate used is the tax rate adopted for the following years at the moment of closing the books. The deferred tax assets are recognized in the amount of the probable claim and the deferred tax liability as a whole.

The financial statements are prepared according to the regulations of the FFSA, the Accounting Act and the Accounting Ordinance.

Valuation and periodisation principles

Fixed assets are stated at acquisition cost less accumulated depreciation according to plan. Depreciations according to plan are made on a straight-line basis over the financial life of the assets.

PRINCIPLES FOR DEPRECIATION ACCORDING TO PLAN

	years
Machinery and equipment	3-5
Transportation vehicles	3-5
Intangible rights	3-5
Improvements to leased premises	10
Other intangible assets	3-10
Goodwill	5

Receivables are entered in the balance sheet at their nominal value, however, at the most at their realisable value, and debts are shown at their nominal value.

Receivables and debts in foreign currency are converted into euro at the rate valid on the date of closing the books.

Short-term investments are entered in the balance sheet at acquisition cost or at market value below acquisition cost.

The Group has arranged pension insurance coverage for its Finnish personnel with an insurance company.

Notes to the Profit and Loss Accounts

1. Turnover

Turnover comprises premiums on derivatives written by Helsinki Securities and Derivatives Exchange, Clearing House Ltd as well as payments received by Helsinki Securities and Derivatives Exchange, Clearing House Ltd in net cash derivative settlements and for share trades. Helsinki Securities and Derivatives Exchange, Clearing House Ltd acts as counter-party in all trades, its settlement income always equals settlement expense, which is deducted from turnover.

2. Distribution of turnover by business unit (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Trading	46 493	49 139	-	-
Settlement and Depository	17 498	19 727	-	-
Issuer Services	16 539	16 670	-	-
Securities Services	11 811	7 410	-	-
Information Solutions (eHEX)	1 621	886	-	-
Baltic Operations	2 826	831	-	-
Other operations	226	259	13	180
Intercompany turnover	-4 099	-2 872	25 107	21 023
Total	**92 915**	**92 050**	**25 120**	**21 203**

The account operator service of Finnish Central Securities Depository was transferred from Settlement and Depository to Securities Services in 2002.

3. Personnel expenses (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Salaries and remuneration	21 572	19 414	8 897	8 301
Social security expenses				
Pension expenses	3 445	3 142	1 424	1 348
Other social security expenses	1 651	1 590	732	731
Total	**26 668**	**24 146**	**11 053**	**10 380**
The average number of personnel employed	427	337	132	104

4. Management salaries and remuneration (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Managing Directors, their deputies and members of the Board of Directors	1 467	1 054	546	486

5. Depreciation according to plan (EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
Immaterial rights	1 717	1 101	1 428	837
Other intangible assets	2 879	3 886	107	58
Machinery and equipment	3 528	2 674	1 386	873
Total	**8 124**	**7 661**	**2 921**	**1 768**

6. Extraordinary items (EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
Extraordinary income				
Group contribution from Helsinki Securities and Derivatives Exchange, Clearing House Ltd	-	-	25 000	20 000
Refunding of value-added taxes	-	2 472	-	2 472
Total extraordinary income	-	**2 472**	**25 000**	**22 472**
Extraordinary expenses				
Group contribution to HEX Securities Services Ltd Oy	-	-	5 000	1 000
Group contribution to HEX Securities Technology Ltd Oy	-	-	5 000	5 000
Provision relating to value-added taxes	-	2 472	-	2 472
Expenses relating to the refund of value-added taxes	215	-	-	-
Total extraordinary expenses	**215**	**2 472**	**10 000**	**8 472**

According to the decision of the Supreme Administrative Court dated 18 January 2001, the income and expenses from securities trading and clearing of trades are not VAT-liable. The Helsinki District Court ruled on 7 September 2001 that the HEX group shall be entitled to a refund for the value-added taxes paid by HEX in 1995-2000 for services conducted in the exchange business, other public trading and settlement operations. In 2001 and 2000, value-added tax refunds and interest payments on the capital were entered under extraordinary income. Corresponding amounts were entered under extraordinary expenses and provisions, due to the uncertainty involved in the further processing. An Arbitration Court ruled on 18 December 2002, that HEX is liable to reimburse a number of brokers and clearing parties for the value added tax and interest payments that HEX has been refunded and that HEX also is liable to pay interest on the VAT refund as of the day HEX received the refund. However, HEX is entitled to deduct from the refund reasonable expenses incurred during the process. In the accounting period 2002, the provision has been transferred as accrued liability and the costs as extraordinary expenses.

7. Appropriations (EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
Difference between depreciations according to plan and depreciations on tax basis	-	-	324	-69

8. Income taxes (EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
Income taxes on extraordinary items	-62	-	4 350	4 060
Income taxes on ordinary operations	6 229	11 029	487	-110
Change in deferred tax assets and deferred tax liability	2 277	-1 640	-	-
Total	**8 444**	**9 389**	**4 837**	**3 950**

Notes to the Balance Sheet

9. Fixed assets (EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
Intangible assets				
Intangible rights on Jan. 1	15 048	12 419	10 415	8 023
Additions during accounting period	1 390	2 714	570	2 476
Disposals during accounting period	-336	-85	-32	-84
Transfers between categories	112	-	-	-
Acquisition cost on Dec. 31	16 214	15 048	10 953	10 415
Accumulated depreciations according to plan	-13 354	-11 637	-8 810	-7 382
Intangible rights on Dec. 31	2 860	3 411	2 143	3 033
Goodwill on Jan. 1	2 603	-		
Additions during accounting period	192	2 603		
Acquisition cost on Dec. 31	2 795	2 603		
Accumulated depreciations according to plan	-699	-173		
Goodwill on Dec. 31	2 096	2 430		
Other intangible assets on Jan. 1	28 166	23 668	4 318	3 892
Additions during accounting period	6 666	4 498	521	426
Acquisition cost on Dec. 31	34 832	28 166	4 839	4 318
Accumulated depreciations according to plan	-23 539	-21 261	-3 769	-3 662
Other intangible assets on Dec. 31	11 293	6 905	1 070	656
Tangible assets				
Machinery and equipment				
Machinery and equipment on Jan. 1	20 397	15 341	11 192	9 242
Additions during accounting period	4 609	5 348	1 448	2 139
Disposals during accounting period	-90	-292	-15	-189
Transfers between categories	-97	-	-	-
Acquisition cost on Dec. 31	24 819	20 397	12 625	11 192
Accumulated depreciations according to plan	-16 308	-12 699	-9 298	-7 912
Machinery and equipment on Dec. 31	8 511	7 698	3 327	3 280
Shares and holdings				
Shares on Jan. 1	614	990	38 796	37 966
Additions during accounting period	263	155	1 525	1 362
Disposals during accounting period	-152	-531	-	-532
Acquisition cost on Dec. 31	725	614	40 321	38 796
Shares and holdings on Dec. 31	725	614	40 321	38 796

10. Group companies on 31 December 2002

	Group ownership share %	Parent company ownership share %	Share capital, 1000 EUR	Turnover 1000 EUR
Helsinki Securities and Derivatives Exchange,				
Clearing House Ltd, Helsinki	100	100	17 600	50 964
Finnish Central Securities Depository Ltd, Helsinki	100	100	7 560	31 219
HEX Securities Services Ltd Oy, Helsinki	100	100	1 681	6 808
HEX Securities Technology Ltd Oy, Helsinki	100	100	150	1 491
Hexfiles Oy, Helsinki	100	100	8	-
Helsingin Arvopaperiparkki Oy, Helsinki	100	100	8	-
HEX Back Office and Custody Services Ltd, Helsinki	95	-	8 300	3 563
a/s Rīgas Fondu Birža, Riga	92.98	92.98	1 160	841
Riga Stock Exchange owns 100 percent				
of Latvian Central Depository				
HEX Information Services Ltd	70	70	100	130
AS Tallinna Börs, Tallinn	61.6	61.6	486	1 985
AS Tallinna Börs owns 100 percent of				
AS Eesti Väärtpaberikeskus and AS Arvelduskoda.				

11. Receivables (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Short-term				
Settlement receivables	411	101 912	-	-
Fee receivables	14	415	-	-
Sales receivables	8 309	9 517	23	18
Receivables from group companies				
Prepaid expenses and accrued income	-	-	15 045	11 672
Other receivables	880	2 323	-	-
Prepaid expenses and accrued income	12 652	4 947	2 854	865
Total short-term receivables	22 266	119 114	17 922	12 555
Material items of prepaid expenses and accrued income				
Value-added taxes	-	545	-	545
Information sales	493	496	-	-
Finnish Central Securities Depository Ltd	-	-	3 074	1 147
Helsinki Securities and Derivatives Exchange, Clearing House Ltd	-	-	160	1 722
HEX Securities Services Ltd Oy	-	-	10 984	8 549
HEX Securities Technology Ltd Oy	-	-	107	250
HEX Back Office and Custody Services Ltd	-	-	577	-
HEX Information Services Ltd	-	-	144	-
Derivative premiums	769	1 082	-	-
Taxes	8 987	-	1 912	-
Other	2 403	2 824	941	324
Total	**12 652**	**4 947**	**17 899**	**12 537**

Settlement receivables in 2001 consist of derivative instruments that were due on 21 December and paid on 2 January 2002.

12. Short-term investments (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Difference between market value and book value	1 773	2 366	731	537

13. Shareholders' equity (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Share capital Jan. 1	26 943	26 943	26 943	26 943
Share capital Dec. 31	26 943	26 943	26 943	26 943
Premium fund Jan. 1	3 465	3 465	3 465	3 465
Premium fund Dec. 31	3 465	3 465	3 465	3 465
Reserve fund Jan. 1	565	564	565	564
Reserve fund Dec. 31	565	564	565	564
Retained earnings Jan. 1	46 898	34 837	21 001	20 571
Dividend	-13 472	-10 777	-13 472	-10 777
Translation difference	-62	-	-	-
Retained earnings Dec. 31	33 364	24 060	7 529	9 794
Net profit	19 978	22 838	9 851	11 207
Total shareholders' equity	**84 315**	**77 870**	**48 353**	**51 973**

	Group	
	2002	**2001**
The amount of accumulated depreciation difference shown under consolidated shareholders' equity (EUR 1,000)	203	465

14. Calculation of distributable funds on 31 December (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Retained earnings	33 364	24 060	7 529	9 794
Net profit	19 978	22 838	9 851	11 207
The amount of accumulated depreciations difference and appropriations shown under shareholders' equity	-203	-465	-	-
Total	**53 139**	**46 433**	**17 380**	**21 001**

The minimum shareholders' equity requirement for HEX Securities Services Ltd Oy is EUR 5 m.

15. Accumulated appropriations

The parent company's accumulated appropriations consist of accumulated depreciation in excess of plan.

16. Provisions (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Provision	-	11 380	-	-

According to the decision of the Supreme Administrative Court dated 18 January 2001, the income and expenses from securities trading and clearing of trades are not VAT-liable. The Helsinki District Court decided on 7 September 2001, that the HEX Group shall be entitled to a refund for the value-added taxes paid by HEX in 1995-2000 for services conducted in the exchange business, other public trading and settlement operations. In 2001 and 2000 value-added tax refunds and interest payments on the capital were entered under extraordinary income. Corresponding amounts were entered under extraordinary expenses and provisions, due to the uncertainty involved in the further processing. An Arbitration Court ruled on 18 December 2002, that HEX is liable to reimburse a number of brokers and clearing parties for the value added tax and interest payments that HEX has been refunded and that HEX also is liable to pay interest on the VAT refund as of the day HEX received the refund. However, HEX is entitled to deduct from the refund reasonable expenses incurred during the process. In the accounting period 2002, the provision has been transferred as accrued liability and the costs as extraordinary expenses.

17. Deferred tax assets and liabilities (EUR 1,000)

	Group	
	2002	**2001**
Deferred tax assets		
On timing differences	1 835	4 214
Deferred tax liabilities		
On appropriations	88	190

18. Short-term liabilities (EUR 1,000)

	Group		Parent company	
	2002	**2001**	**2002**	**2001**
Settlement debts	492	101 919	-	-
Accounts payable	2 197	3 514	452	1 935
Intercompany liabilities				
Accrued expenses and prepaid income	-	-	17 765	11 970
Other debts	670	637	212	210
Accrued expenses and prepaid income	22 254	16 525	7 156	5 002
Total short-term liabilities	**25 613**	**122 595**	**25 585**	**19 117**
Material items of accrued expenses and prepaid income:				
Group contribution	-	-	-	1 000
Helsinki Securities and Derivatives Exchange, Clearing House Ltd	-	-	16 959	9 553
Finnish Central Securities Depository Ltd	-	-	3	1 367
HEX Securities Technology Ltd Oy	-	-	740	19
HEX Back Office and Custody Services Ltd	-	-	-	31
AS Tallinna Börs	-	-	63	-
VAT refund	11 380	-	-	-
Salaries and social security expenses	8 979	7 694	6 446	4 460
VAT	693	-	693	-
Taxes	307	7 531	-	229
Provision for fee refunds	258	79	-	-
Other	637	1 221	17	313
Total	**22 254**	**16 525**	**24 921**	**16 972**

In 2001, settlement debts consist of derivative instruments, which were due on 21 December and paid on 2 January 2002.

19. Warrants

An Extraordinary Shareholders Meeting of HEX held on 2 November 2000 approved a personnel warrant programme distinct from the shareholders' subscription privilege as part of an employee incentive and commitment programme. The Board of Directors decides on the distribution of the warrants.

Of the warrants, 350,000 have been marked 'A', 350,000 have been marked 'B', 350,000 have been marked 'C' and 350,000 have been marked 'D'. The 53,200 A warrants that were in HEX Plc's subsidiary's custody, have been annuled. As a consequence of the warrant programme, share capital may increase by a maximum of 1,346,800 new shares or EUR 2,693,600 at the most.

Each stock option entitles the subscription of one share with the nominal value of two euro. The subscription price will be lowered after 1 December 2000 and before the share subscription by the amount of dividends on the record date of each dividend distribution. In accordance with the subscription rules of the stock-based incentive scheme for HEX Plc employees, the original subscription price of EUR 12.50 has been reduced to EUR 10.70 on the basis of dividends paid. The subscription price, however, is always, at least, the nominal value of the share. Subscribed and fully paid shares are entered in the subscribers book-entry account. The shares entitle to dividend for the financial period during which they have been subscribed. Other rights relating to the shares will become valid upon the registration of the increase in share capital in the Trade Register.

The subscription of the A warrants began on 1 November 2002, of the B warrants on 1 November 2003, of the C warrants on 1 November 2004 and of the D warrants on 1 November 2005. The subscription period for all warrants ends on 30 November 2007. Subscription of shares is only possible if the company's share is subject to public trading.

Should the company's share not be subject to public trading, the subscriber is entitled to compensation determined on the basis of the increase of shareholders' equity as follows:

> Cumulative net result after the closing of the books
> of fiscal year 2000 including the adopted financial
> statement preceding redemption x 9.4 % ÷ 1,400,000

A financial benefit relating to stock options is treated similarly as employment stock options. A financial benefit based on an employment relationship is taxable income for the beneficiary, which, according to the Act on Prepayment of Tax, is comparable to salary for which the employer is obliged to render withholding tax and social security fees. HEX Plc has asked the Central Pension Security Institute to give a statement confirming that the benefit acquired through the redemption of the option rights will not be added to the employees' TEL salary (TEL=Employees' Pensions Act). The statement will decide the handling of the benefit to the holders of the options rights at redemption.

20. Open liabilities (EUR 1,000)

	Group		Parent company	
Collateral for own commitments	**2002**	**2001**	**2002**	**2001**
Pledged bank deposits and certificates of deposit	6 423	5 248	-	-
Total	**6 423**	**5 248**	**-**	**-**

The bank deposits and certificates of deposit have been pledged as collateral for the right to act as an account operator and security for the liquidity limits of the clearing.

	Group		Parent company	
Liability engagements given on behalf of companies belonging to the same group	**2002**	**2001**	**2002**	**2001**
Guarantees for covering commitments not related to the book-entry securities system-	-	-	-	6 700
Non-joint commitment	-	1 682	-	-
Total	**-**	**1 682**	**-**	**6 700**

Of the subsidiaries, HEX Securities Services Ltd Oy, HEX Securities Technology Ltd Oy, Finnish Central Securities Depository Ltd, Helsinki Securities and Derivatives Exchange, Clearing House Ltd, and HEX Back Office and Custody Services Ltd are jointly liable as a value-added tax liability group for the tax for which HEX Plc is under obligation to report and to render accounts.

21. Contingent liabilities and other commitments (EUR 1,000)

	Group		Parent company	
Amounts payable for leasing contracts	**2002**	**2001**	**2002**	**2001**
Payable during next financial period	23	17	3	13
Payable later	37	6	-	5
Total	**60**	**23**	**3**	**18**

Other commitments

According to articles 29-32 of the Law on Book-Entry Accounts, Finnish Central Securities Depository Ltd, holds the responsibility for any errors in the activities of an account operator. According to article 17 of the Law on Book-Entry Accounts, the registration fund specified in article 18 of the same holds secondary responsibility for the liabilities of other account operators, if the account operator is unable to meet its liability for damages.

However, Finnish Central Securities Depository Ltd holds responsibility for any damages incurred before 1 January 1997. Finnish Central Securities Depository Ltd acts as a clearing organization as specified in Chapter 4a of the Securities Markets Act, and has responsibility for these activities as specified in the regulations on clearing and settlement activities.

The risk-carrying capacity of Finnish Central Securities Depository Ltd consists of EUR 15.1 m in restricted equity, a settlement fund with a total capital of EUR 1.6 m at the end of the reporting period, a registration fund with a capital and guarantee deposits totaling EUR 20.0 m and the Financial Loss and Liability Policy of the HEX Group, limited to EUR 70.0 m.

Open commitments at Helsinki Securities and Derivatives Exchange, Clearing House Ltd:
Number of trading-related open option and futures contract

	Dec 31, 2002	**Dec 31, 2001**
HEX Stock Options	47 720	34 704
HEX Stock Futures	193 819	167 961
HEXTech Index Options	0	389
HEXTech Index Futures	0	31
LEX Stock Lendings	104 361	96 335

As required under the FFSA's instructions in 202.8/Jan. 14, 1994, the minimum amount of shareholders' equity of Helsinki Securities and Derivatives Exchange, Clearing House Ltd calculated on the open risk of the option corporation is EUR 1.7 m on 31 December 2002 and EUR 2.5 m on 31 December 2001.

The credit limits on bank accounts taken by Helsinki Securities and Derivatives Exchange, Clearing House Ltd to secure the clearing of derivatives are EUR 31 m.

KEY RATIOS ON FINANCIAL PERFORMANCE

	2002	2001
Turnover, EUR m	92.9	92.1
Operating profit, EUR m	27.4	30.0
% of turnover	29.5	32.6
Profit before extraordinary items	28.6	32.2
% of turnover	30.8	35.0
Profit before appropriations and taxes	28.4	32.2
% of turnover	30.5	35.0
Net profit for the financial period, EUR m	20.0	22.8
% of turnover	21.5	24.8
Return on equity, %	24.6	31.6
Return on investment, %	35.4	44.9
Equity ratio, %	77.1	70.9
Gross investment under fixed assets, EUR m	13.1	15.3
% of turnover	14.1	16.6
Personnel, average during financial period	427	337

KEY RATIOS PER SHARE

	2002	2001
Earnings per share, EUR	1.48	1.70
Earnings per share adjusted by dilution effect of warrant program, EUR	1.44	1.65
Shareholders' equity per share, EUR	6.26	5.78
Shareholders' equity adjusted by dilution effect of warrant program, EUR	6.91	6.50
Dividend per share, EUR	1.00	1.00
Share issue adjusted average number of shares	13 471 728	13 471 728
Share issue adjusted average number of shares, dilution effect of warrant program observed	14 745 803	14 724 828

Calculation of Financial Ratios

Operating Profit	Profit after depreciation according to plan
Return on Equity, %	<u>Profit before extraordinary items - taxes x 100</u> Shareholders' equity + minority interest (average at the beginning and at the end of financial period)
Return on Investment, %	<u>Profit before extraordinary items + interest and other financing costs x 100</u> (Balance sheet total-settlement debt) – (non-interest-bearing liabilities – settlement debt) (average at the beginning and at the end of financial period)
Equity Ratio, %	<u>Shareholders' equity + minority interest</u> Balance sheet total – settlement debt – advances received
Earnings/Share, EUR	<u>Profit before extraordinary items – taxes -/+ minority interest</u> Average number of shares adjusted by share issue
Shareholders' Equity/Share, EUR	<u>Shareholders' equity</u> Number of shares adjusted by share issue

BOARD OF DIRECTORS' REPORT

Financial performance

HEX Group's business developed well with regard to the market situation. The Group's outsourcing services providers Securities Services and Information Solutions' (eHEX) turnover increased by 62 percent and Baltic Operations' turnover by 240 percent. HEX maintained its strong international competitive position in stock trading, and the market share in global Nokia trading grew from 49 percent to 58 percent.

Turnover increased by 0.9 percent to EUR 92.9 m (2001: EUR 92.1 m), with costs rising to EUR 65.5 m (EUR 62.0 m). The increase in costs was due to investments in the quality and reliability of transaction business, as well as new products and services. The biggest increase was in personnel costs, which were EUR 26.7 m (EUR 24.1 m).

Operating profit decreased by 8.7 percent to EUR 27.4 m (EUR 30.0 m). The operating profit corresponded to 29.5 percent of turnover (32.6 percent). Financial income decreased to EUR 1.2 m (EUR 2.2 m) due to a reduction in the value of share-based mutual funds. Financial income in the comparable period 2001 was increased by an exchange rate gain from a mature bond.

Profit before extraordinary items and taxes amounted to EUR 28.6 m (EUR 32.2 m), 11.3 percent down from the previous year. Net profit equaled EUR 20.0 m (EUR 22.8 m).

Earnings per share amounted to EUR 1.48 (EUR 1.70), while equity per share grew by 8.3 percent to EUR 6.26 (EUR 5.78).

Capital expenditure totaling EUR 13.1 m (EUR 15.3 m) were allocated mainly into information technology.

Making the operations more efficient

The market situation has changed HEX's operating environment. The market value of listed shares has decreased, and HEX's business environment has not developed as expected. At the same time, prices have been decreased in order to maintain competitiveness. Due to the changes in the operating environment, HEX has taken measures to reduce its costs and make its operations more efficient.

The eHEX business unit was restructured in the spring. Thereafter, eHEX has comprised the Information Solutions unit.

The IT organization of the Group was restructured at the beginning of August by combining business development units with IT. The change aims to ensure quality and reliability and improve cost efficiency.

HEX has investigated alternatives for acquiring a single, common, modern and more cost effective office for the group's operations in Helsinki. A land area was reserved for the purpose in Hakaniemenranta.

New subsidiaries

HEX and IS Innovative Software AG of Germany started to provide market information services in January. The two companies established a new subsidiary, HEX Information Services Ltd, for these operations. HEX holds 70 percent of the new company, with a 30 percent share held by IS Innovative Software AG.

In March, HEX, the Riga Stock Exchange and the Latvian Central Depository started a strategic partnership based on HEX's majority holding in the new Riga Stock Exchange Group. HEX offered to purchase at least 75 percent of the shares of Riga Stock Exchange (RSE) from the existing shareholders on the condition that RSE acquires the entire stock of the Latvian Central Depository.

The arrangements between HEX and the shareholders of the Riga Stock Exchange were finalized in August and the arrangements between the shareholders of Riga Stock Exchange and Latvian Central Depository were finalized in October. As a result of the arrangements HEX holds 92.98 percent of the Riga Stock Exchange, which, in turn, holds the entire stock of the Latvian Central Depository.

Business operations

Trading

Turnover of Trading amounted to EUR 46.5 m (EUR 49.1 m), and profitability decreased considerably while remaining in a good level.

The development was affected by price cuts during the year, the decline in the market value of shares and the decreased value of trading.

Starting on 1 January 2002, Eurex decreased the market-making fees collected from brokers, which resulted in an approximately 20 percent decrease in income from derivatives trading. HEX lowered the fees levied on brokers involved in cash transactions at the beginning of April.

HEX's competitive position in share trading remained strong internationally, and HEX's market share in global Nokia trading grew to 58 percent. Investors' interest in Nokia was also considerable in derivatives markets, where Nokia was the by far the most traded equity option in Eurex.

The product range of Trading extended. Trading in weather derivatives started in August, followed by the shares of seven Swedish companies in December.

Settlement and Depository

The business unit generated EUR 17.5 m (EUR 19.7 m) of turnover, while profit remained in the negative. Turnover was decreased by the transfer of the account operator service of Finnish Central Securities Depository Ltd to the Securities Services business unit. Turnover was affected by decreases in the values of deposited assets, companies in the book-entry system and money market instruments.

A link between HEX and the Swedish Central Securities Depository was introduced in June.

Issuer Services

Turnover of Issuer Services amounted to EUR 16.5 m (EUR 16.7 m), and profitability remained good. The development was affected by a decrease in the market value of shares and small interest in listing.

During the review year, three companies were listed in Helsinki Exchanges, and nine companies were de-listed. At the end of the year, 169 share series of 149 companies were traded in the exchanges.

The investment product range was extended with the introduction of the index share market.

As part of the actions to improve the quality and reliability of the market, Issuer Services defined the prequisites for listing, the listing process and the information disclosure obligations of listed companies in more detail.

Securities Services

Turnover of Securities Services amounted to EUR 11.8 m (EUR 7.4 m), with strong development efforts resulting in a loss. Contributors to the expansion of the business included the introduction of HEX Back Office and Custody Services Ltd (HBO) in autumn 2001 and the transfer of the account operator service of Finnish Central Securities Depository Ltd to the Securities Services business unit during financial year 2002.

Securities Services extended its service offering to cover settlement and depository services for securities trading in Estonia when HBO started as a remote account operator in the Estonian CSD.

Information Solutions (eHEX)

Information Solutions generated EUR 1.6 m (EUR 0.9 m) of turnover, while profit remained in the negative. Restructuring arrangements were executed in the business unit. As a result, eHEX has comprised the Information Solutions unit since April. The eHEX Broker Platform software was discontinued.

HEX started to provide market information services together with IS Innovative Software AG.

Baltic Operations

Turnover of Baltic Operations amounted to EUR 2.8 m (EUR 0.8 m from May to December 2001). The increase in turnover was due to the Riga Stock Exchange acquisition and the growth of register services. The business operations were profitable, but the business unit's result was negative due to integration and acquisition costs. The Riga Stock Exchange Group was combined with Baltic Operations starting on 1 September 2002.

The Estonian funded pension account register, administered by HEX Tallinn, was introduced in May. The Latvian Central Depository, part of HEX, was selected as the supplier and maintainer of the account register for the Latvian funded pension system.

Shares and shareholders

The number of HEX Plc shares at the end of the period amounted to 13,471,728, and the company had a share capital of EUR 26,943,456. The company had 214 registered shareholders.

During the period under review, the Board of Directors had no current authorizations to issue any stock, convertible bonds or option rights, or any authorizations to purchase or hand over any of the company's own stock.

Through the personnel warrant program, the company's share capital can increase by, at most, EUR 2,693,600 and employee shareholding in the company can reach, at most, 9.1 percent of shares and voting rights. The figure includes the holdings of the Executive Board of HEX Group and its Secretary, which can rise to a maximum of 1.1 percent in total as a result of the incentive scheme.

In accordance with the subscription rules of the warrant program for HEX Plc employees, the original subscription price of EUR 12.50 has been reduced to EUR 10.70 on the basis of dividends paid. The redemption period for A warrants in the incentive scheme started on 1 November 2002. 53 200 A warrants which were in a group's subsidiary's custody have been annulled.

The personnel warrant program is described in more detail in the note 19 to the accounts.

Human resources

At the end of the year, the number of personnel in an active employment relationship was 449 (397), 425 of whom had permanent employment contracts. The increase in personnel was mainly due to the purchase of Riga Stock Exchange Group, which employed 44 persons at the end of the year.

The average number of employees during financial period 2002 was 427 (337).

Other events

Changes in the Articles of Association

The Annual General Meeting decided to amend the Articles of Association on 22 March 2002. The description of the company's line of business was specified in more detail, and the references to deputy members of the Board were removed. In addition, the Articles of Association were amended so that no person of 65 years of age or older may be appointed a Board member or auditor.

Temporary CEO

Mr. Jukka Ruuska, President and CEO of the HEX Group, was on sick leave from 22 July to 20 September 2002. During that period, his duties were performed by the deputy CEO, Mr. Heikki Sirve.

Arbitration proceedings

The arbitration proceedings related to VAT refunds were completed in December. HEX will refund a total of EUR 11.3 m in VAT and associated interest from the years 1995 to 2000 to the trading members and clearing parties. However, HEX is allowed to deduct reasonable expenses from the VAT refunds.

The refund had minor significance for HEX Plc's financial results.

The tax authorities had refunded EUR 9.9 m of VAT and EUR 1.4 m of accrued interest to HEX as a consequence of a resolution by the Helsinki Administrative Court in 2001. Due to the uncertainty regarding further processing of the VAT refund, HEX booked a corresponding provision of EUR 11.3 m in its 2001 annual accounts.

Current legal proceedings

The Market Court has decided not to investigate the appeals against the Finnish Competition Authority's decision regarding the competitive position of the HEX Group. HEX has appealed to the Supreme Administrative Court against the decision of the Market Court.

Proposal on distribution of dividend

The Board of Directors proposes to the Annual General Meeting, that EUR 1.00 per share (EUR 1.00) or a total of EUR 13,471,728 (EUR 13,471,728) should be paid out as dividend. The record date of the dividend is 26 March 2003 and the dividend will be paid 2 April 2003.

Events after the period under review

The administration of the account register in the Latvian voluntary funded pension system was transferred to HEX's Baltic Operations on 1 January 2003.

Eurex lowered its intermediating and market-making prices for derivatives brokers from the beginning of February 2003. The new prices are estimated to cut the income from derivatives trading in Eurex by approximately 15 percent.

The organization of HEX Group's transaction business (Trading, Settlement and Depository, Issuer Services) will change on 1 April 2003. The transaction business will be divided into new Marketplace and Operations business units. The other business units will remain unchanged. The reform aims to improve the efficiency of customer service and processes.

Mr. Mika Björklund, Executive Vice President of Issuer Services, will report to Jouni Torasvirta from 1 April onwards. Mr. Lasse Musakka, member of the Executive Board, has resigned from his tasks with effect from 11 April.

The composition of HEX's Executive Board from 3 February 2003 onwards is as follows: Mr. Jukka Ruuska, President and CEO, Mr. Teuvo Rossi, CFO, Ms. Liisa Jauri, Executive Vice President of Corporate Planning, Mr. Jouni Torasvirta, Executive Vice President of the Marketplace business unit, Mr. Heikki Sirve, Executive Vice President of the Operations business unit and Corporate IT, and Mr. Veli Matti Salmenkylä, Executive Vice President of the Securities Services business unit.

In February 2003, HEX Group, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers (TT) nominated a committee to review the corporate governance recommendation for Finnish listed companies given by the Central Chamber of Commerce and TT in 1997.

Outlook for 2003

The unstable market situation continued in January and February 2003, discouraged by the international political climate. The value of share trading in January decreased by 24 percent in comparison with the same period in 2002 and the market value of shares decreased more than 9 percent from the turn of the year. Similar market situation continued in February.

HEX Group's business development is heavily dependent on market situation. The reduction of fees effective since the beginning of February are estimated to cut the income from derivatives trading in Eurex by approximately 15 percent.

HEX will secure its long-term competitiveness by continuously making its operations more effective. HEX focuses on the quality and reliability of its services and customer satisfaction.

Proposal of Parent Company's Board of Directors for Profit Allocation

The Board of Directors proposes that EUR 1.00 per share or a total of EUR 13,471,728 should be paid out as dividend from the distributable equity. The Board of Directors proposes that EUR 30,000 of the distributable funds should be appropriated for public-benefit purposes. It is proposed that the remainder be allocated to retained earnings.

Helsinki, 2 March 2003

Tarmo Korpela
Chairman of the Board

Jukka Ruuska
President & CEO

Satu Huber

Hannu Karppinen

Timo Korvenpää

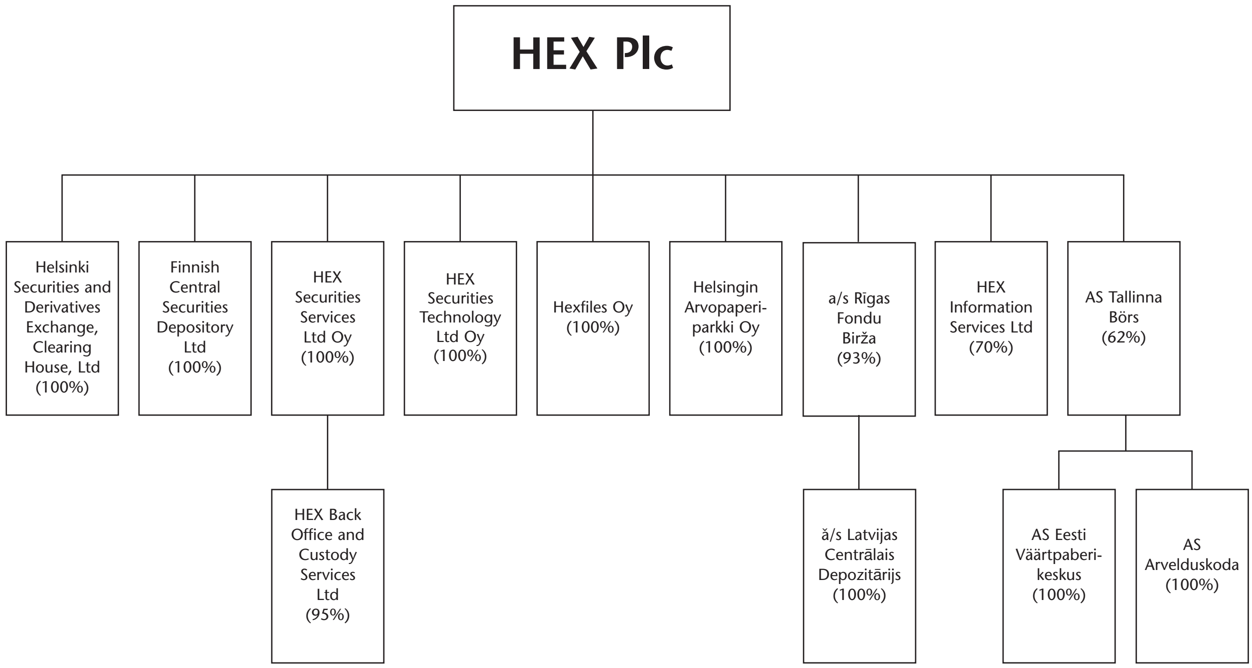
Sonja Lohse

Martti Porkka

Timo Ritakallio

Esko Torsti

Organization chart - HEX



AUDITORS' REPORTS FOR THE FINANCIAL YEARS 2002, 2001 AND 2000

Auditors' report for the financial year 2002

To the shareholders of HEX Plc

We have audited the accounts, the accounting records and the administration of HEX Plc for the accounting period 1 January–31 December 2002. The accounts prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company profit and loss statements, balance sheets and notes to them. Based on our audit, we express our opinion on these accounts and administration.

We have conducted our audit in accordance with the Finnish Generally Accepted Auditing Standards. Thereby, we have examined, on a test basis, the accounting principles, content of the accounts and the overall financial statement presentation to sufficient extent in order to obtain reasonable assurance about whether the accounts are free of material misstatement. In the audit of the administration we have examined that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies' Act.

In our opinion, the accounts have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of accounts in Finland. The accounts give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position at the end of the financial period. The financial statements, including the consolidated financial statements, can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal made by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies' Act.

Helsinki, 13 March 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Eero Suomela
Authorized Public Accountant

Auditors' report for the financial year 2001

To the shareholders of HEX Plc

We have audited the accounts, the accounting records and the administration of HEX Plc for the accounting period 1 January–31 December 2001. The accounts prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company profit and loss statements, balance sheets and notes to them. Based on our audit, we express our opinion on these accounts and the administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Thereby, we have examined, on a test basis, the accounting principles, content of the accounts and the overall financial statement presentation to sufficient extent in order to obtain reasonable assurance about whether the accounts are free of material misstatement. In the audit of the administration, we have examined that the Board of Directors and the Managing Director have complies with the rules of the Finnish Companies' Act.

In our opinion, the accounts have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of accounts in Finland. The accounts give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position at the end of the financial period. The financial statements including the consolidated financial statements, can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal made by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies' Act.

Helsinki, 1 March 2002

PricewaterhouseCoopers Oy
Authorized Public Accountants

Eero Suomela
Authorized Public Accountant

Auditors' report for the financial year 2000

To the shareholders of Helsinki Exchanges Group Oyj

We have audited the accounts, the accounting records and the administration of Helsinki Exchanges Group Oyj for the accounting period 1 January 2000–31 December 2000. The accounts prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company profit and loss statements, balance sheets and notes to them. Based on our audit we express our opinion on these accounts and the administration of the parent company.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Thereby we have examined, on a test basis, the accounting principles, content of the accounts and the overall financial statement presentation to sufficient extent in order to obtain reasonable assurance about whether the accounts are free of material misstatement. In the audit of the administration, we have examined that the Board of Directors and the Managing Director have complies with the rules of the Finnish Companies' Act.

In our opinion, the accounts have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of accounts in Finland. The accounts give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position at the end of the financial period. The financial statements including the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal made by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies' Act.

Helsinki, 6 March 2001

SVH PricewaterhouseCoopers Oy
Authorized Public Accountants

Eero Suomela
Authorized Public Accountant

INTERIM REPORT 1 JANUARY – 31 MARCH 2003

• Turnover: EUR 22.0 m, -7.5 percent
• Operating profit: EUR 6.4 m, -7.4 percent
• Profit before extraordinary items and taxes: EUR 6.3 m, -19.6 percent
• Net profit for the period: EUR 4.4 m, -20.3 percent

First-quarter result for 2003

Due to the market conditions, consolidated turnover decreased by 7.5 percent to EUR 22.0 m (1 January–31 March 2002: EUR 23.8 m). Overall costs decreased to EUR 15.6 m (EUR 16.9 m) due to improved cost-efficiency of operations.

Operating profit decreased by 7.4 percent to EUR 6.4 m (EUR 6.9 m), corresponding to 28.9 percent of turnover (28.9 percent). Financial income decreased from the comparable period due to a decrease in the value of share-based mutual funds. Income in the comparable period was increased by a gain from the redemption of a bond-based mutual fund.

Profit before extraordinary items and taxes amounted to EUR 6.3 m (EUR 7.8 m), 19.6 percent lower than in the corresponding period of the previous year. The profit for the period under review, EUR 4.4 m, was 20.3 percent lower in comparison to the corresponding period in 2002 (EUR 5.5 m). Profit per share amounted to EUR 0.33 (EUR 0.41), and equity per share was EUR 5.58 (EUR 5.19).

Capital expenditure totaling EUR 2.0 m (EUR 2.6 m) were focused mainly on information systems and computer hardware.

The figures for the period under review are unaudited.

KEY FIGURES REPRESENTING FINANCIAL DEVELOPMENT

	1 January-31 March 2003	1 January-31 March 2002	Change %	1 January-31 December 2002
Turnover, EUR m	22.0	23.8	-7.5	92.9
Operating profit, EUR m	6.4	6.9	-7.4	27.4
• percent of turnover	28.9	28.9	-	29.5
Profit before extraordinary items and taxes, EUR m	6.3	7.8	-19.6	28.6
• percent of turnover	28.7	33.0	-	30.8
Net profit	4.4	5.5	-20.3	20.0
Capital expenditure, EUR m	2.0	2.6	-24.1	13.1
• percent of turnover	9.1	11.1	-	14.1
Personnel, average during financial period*	428	408	4.9	427

* The increase in personnel during 2002 was due to the acquisition of Riga Stock Exchange.

PER SHARE RATIOS

	1 January-31 March 2003	1 January-31 March 2002	Change %	1 January-31 December 2002
Earnings per share, EUR	0.33	0.41	-20.3	1.48
• adjusted by the dilution effect of the warrant program, EUR	0.32	0.40	-19.8	1.44
Equity per share, EUR	5.58	5.19	7.6	6.26
• adjusted by the dilution effect of the warrant program, EUR *	6.25	5.80	7.8	6.91

* Shareholders' equity has been adjusted by canceling the cost reserve that would be paid to the holders of warrants in the form of salary if the company will not be publicly listed, as well as taking into account the equity accumulating to the company on the basis of new shares subscribed.

Business review

GROUP'S TURNOVER PER BUSINESS UNIT (EUR m)

	1 January-31 March 2003	**1 January-31 March 2002**	**Change %**	**1 January-31 December 2002**
Trading	9.9	12.9	-23.5	46.5
Settlement and Depository	4.8	4.1	18.9	17.5
Issuer Services	4.3	4.1	3.4	16.5
Securities Services	2.7	2.7	-1.5	11.9
Information Solutions	0.6	0.2	165.0	1.6
Baltic Operations	1.0	0.4	157.4	2.8
Other operations	0	0	125.1	0.2
Group's internal turnover	-1.3	-0.7	82.0	-4.1
Total	22.0	23.8	-7.5	92.9

Trading

The turnover of Trading decreased from the corresponding period last year to EUR 9.9 m (EUR 12.9 m), and profitability decreased considerably. The turnover was affected by lower value of stock trading, lower volume in Eurex derivatives contracts and a decrease in Eurex charges. Starting on 1 February 2003, Eurex lowered its intermediating and market-making fees collected from brokers, which results in an approximately 15 percent decrease in income from Eurex trading.

The falling share prices and slowdown on the markets were still visible in securities trading. Value of securities trading amounted to EUR 38.2 billion, resulting in a 27.9 percent decrease from the corresponding period in 2002. HEX increased its market share of global Nokia trading to 65 percent from 51 percent in the corresponding period. In the derivatives market the number of Nokia option contracts on Eurex decreased by 38.5 percent compared to the January – March period of 2002. However, Nokia remained one of the most traded equity options on Eurex for the entire period under review.

Settlement and Depository

The turnover for the Settlement and Depository business unit was EUR 4.8 m (EUR 4.1 m). The profitability of the business unit improved, and the result was positive. The improved result can be attributed to increased transaction volume and the extension of Hex's link network to Swedish CSD, VPC.

However, decreases in the value of assets in custody hampered business development. The total value of the assets in custody – that is, the money market base and the companies in the book-entry system – amounted to EUR 189.2 billion (EUR 255.7 billion) at the end of the review period. From January to March the settlement rate in share trading was 99.42 percent (99.07 percent).

A link from HEX Tallinn to HEX Helsinki was completed during the review period.

Issuer Services

The turnover of Issuer Services increased by 3.4 percent, amounting to EUR 4.3 m (EUR 4.1 m). The business unit slightly increased its positive result.

Despite the weakened market conditions, the interest in listing option rights and covered warrants remained good. At the end of the review period trading covered a total of 163 series of shares from 145 companies (170 series from 151 companies), one index share, 62 option rights (35) and 196 covered warrants (131). The first commodity warrants were listed on HEX Helsinki during the review period. At the end of March the book-entry system included 193 companies (198) and 894,244 shareholders (890,230).

During the first quarter services related to capital arrangements were used in a total of 62 (62) arrangements carried out in the book-entry system. The companies collected a total of EUR 478.8 m (EUR 10.8 m) of capital by these arrangements.

HEX's services for General Meeting of Shareholders were actively used at a total of 60 meetings during the review period.

Securities Services

The turnover of the Securities Services business unit remained at the previous year's level of EUR 2.7 m (EUR 2.7 m). Profitability improved, but the operations continued to be unprofitable. General market conditions slowed down the growth.

During the review period, the clearing and settlement service acquired two remote brokers and one domestic asset management company as customers.

Information Solutions

The turnover of the Information Solutions business unit increased sharply on the comparison period, amounting to EUR 0.6 m (EUR 0.2 m). Profitability improved significantly, but the operations continued to be unprofitable. The difficult market situation was evident in the acquisition of new customers for the outsourcing services provided by Information Solutions, the IR service, the Global Market Information Service and the Performance Measurement services.

Baltic Operations

The turnover of the Baltic operations amounted to EUR 1.0 m (EUR 0.4 m) for the period from January to March, and the result was positive. The increased turnover is mostly attributable to the Riga Stock Exchange acquisition. The Riga Stock Exchange Group was joined with Baltic Operations starting on 1 September 2002.

The value of share trading on HEX Tallinn from January to March amounted to EUR 55 m (EUR 93.7 m). On the Riga Stock Exchange the value of share trading in the first quarter was EUR 11.8 m and the value of bond trading was EUR 102.3 m. At the end of the period the market value of companies listed on HEX Tallinn was EUR 2.3 billion and the market value of companies listed in the Riga Stock Exchange was EUR 724 m.

The listing of bonds issued by the Port of Tallinn on HEX Tallinn stimulated the Estonian bond market. The Port of Tallinn bonds, issue of EUR 6.4 m, constitute the only current issue of corporate bonds on HEX Tallinn and the first new listing on the bonds list since 2000.

A total of 215,427 people had joined the Estonian funded pension system maintained by HEX Tallinn by the end of March. The administration of the account register in the Latvian voluntary funded pension system was transferred to HEX's Baltic Operations on 1 January 2003. By the end of the review period a total of 372,000 people had joined the system.

Resolutions by the Annual General Meeting

In March the Annual General Meeting confirmed the financial statements of HEX Plc, as well as the consolidated financial statements of HEX, and discharged the Board members and the CEO from liability regarding the previous financial year.

As proposed by the Board of Directors, the AGM decided to distribute a per-share dividend of EUR 1.00 for 2002. The dividends were paid on 2 April 2003.

The AGM appointed the Board of Directors for the next term. The following members of the Board will continue: Ms. Satu Huber, Director of Finance and Head of Finance Division, Mr. Hannu Karppinen, Head of Legal Affairs, Mr. Tarmo Korpela, Director General, Mr. Martti Porkka, Head of Group Treasury and Funding, Mr. Timo Ritakallio, First Executive Vice President and Member of the Executive Board, Ms. Sonja Lohse, Group Compliance Officer, and Mr. Esko Torsti, Chief Investment Officer. Mr. Timo Ihamuotila, Vice President, was appointed as a new member of the Board. The Board of Directors elected Tarmo Korpela as Chairman and Timo Ritakallio as Deputy chairman.

The AGM appointed PricewaterhouseCoopers Oy, authorized public accountants, as the company's auditor. Mr. Eero Suomela, Authorized Public Accountant, will serve as the principal auditor.

Shares and shareholders

The number of HEX Plc shares at the end of the period amounted to 13,471,728, and the share capital was EUR 26,943,456. The company had 219 registered shareholders. A total of 15.7 percent of shares were nominee registered.

The employee warrant program may increase the share capital of the company by a maximum of EUR 2,692,000, and employee shareholding in the company may increase to a maximum of 9.1 percent of all shares and voting rights. The figure includes the holdings of the Executive Board of the HEX Group and its Secretary, which may rise to a maximum of 1.1 percent in total as a result of the warrant program.

In accordance with the subscription terms, the original warrant subscription price of EUR 12.50 has been reduced to EUR 9.70 by the dividends paid. The subscription period of the A warrants within the scheme started on 1 November 2002. The 54,000 A warrants held by a subsidiary of the Group have been annulled.

If the company is not listed on the stock exchange, the holder of warrants is entitled to compensation in terms of salary equaling the value of the increase in shareholders' equity. For this purpose, an entry of EUR 0.5 m, affecting the company's result, has been made in accruals. This increases the total amount of reserves to EUR 5.0 m.

During the period under review, the Board of Directors had no current authorizations to issue any stock, convertible bonds or option rights, or any authorizations to purchase or hand over any of the company's own stock.

Human resources

At the end of the period under review the HEX Group employed 423 people. The corresponding figure for the same period last year was 409. There were 449 employees at the end of 2002. The increase in the number of personnel in 2002 was mainly due to the Riga Stock Exchange acquisition.

Other events

Changes in the Executive Board

Since 3 February 2003 HEX's Executive Board has comprised Mr. Jukka Ruuska, President and CEO, Mr. Teuvo Rossi, CFO, Ms. Liisa Jauri, Executive Vice President of Corporate Planning, Mr. Jouni Torasvirta, Executive Vice President of the Marketplace business unit, Mr. Heikki Sirve, Executive Vice President of the Operations business unit and Group IT operations, and Mr. Veli Matti Salmenkylä, Executive Vice President of the Securities Services business unit. The Marketplace and Operations business units started their operations on 1 April 2003.

Events after the period

The organization of HEX Group's transaction business (Trading, Settlement and Depository, Issuer Services) changed on 1 April 2003. The transaction business was divided into new Marketplace and Operations business units. The other business units remained unchanged. The reform aims to improve the efficiency of customer service and processes.

On 30 April 2003 HEX refunded VAT and associated interest from the years 1995 to 2000 to the trading members and clearing parties involved in the arbitration proceedings.

Year-end outlook

Unstable market conditions have continued in the first quarter. General market conditions will affect the development of the group's turnover and profitability.

CONSOLIDATED PROFIT AND LOSS STATEMENT (EUR M)

	1 January-31 March 2003	1 January-31 March 2002	Change %	1 January-31 December 2002
Turnover	22.0	23.8	-7.5	92.9
Operating profit	6.4	6.9	-7.4	27.4
Financial income and expenses	-0.1	1.0	-105.3	1.2
Profit before extraordinary items and taxes	6.3	7.8	-19.6	28.6
Net profit	4.4	5.5	-20.3	20.0

CONSOLIDATED BALANCE SHEET (EUR 1 000)

	31 March 2003	31 March 2002	31 December 2002
ASSETS			
Fixed assets			
Intangible assets	17 068	13 378	16 249
Tangible assets	7 887	7 990	8 511
Investments	493	614	725
Current assets			
Deferred tax assets	2 491	4 892	1 835
Short-term receivables	25 545	19 964	22 266
Short-term investments	61 857	58 179	57 139
Cash in hand and at banks	4 850	16 395	4 514
Total assets	**120 191**	**121 412**	**111 239**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	26 943	26 943	26 943
Premium fund	3 465	3 465	3 465
Reserve fund	565	564	565
Retained earnings	39 837	33 391	33 364
Net profit	4 396	5 516	19 978
Total shareholders' equity	75 206	69 879	84 315
Minority interest	1 074	837	1 041
Provisions	0	11 380	0
Liabilities			
Deferred tax liabilities	88	216	88
Long-term liabilities	182	207	182
Current liabilities	43 641	38 893	25 613
Total liabilities	43 911	39 316	25 883
Total shareholders' equity and liabilities	**120 191**	**121 412**	**111 239**

CASH FLOW STATEMENT (EUR 1 000)

	1 January-31 March 2003	1 January-31 March 2002	1 January -31 December 2002
Cash flow from business operations			
Operating profit	6 356	6 863	27 416
Adjustments			
Depreciation according to plan	1 747	1 904	8 124
Financial income and expenses	-52	976	1 164
Cash flow before net change in net working capital	8 051	9 743	36 704
Change in net working capital			
Increase (-) / decrease (+) in current non-interest-bearing business receivables	-976	99 469	108 254
Increase (+) / decrease (-) in current non-interest-bearing payables	2 403	-97 340	-102 439
Cash flow from business operations before financial items and taxes	9 478	11 872	42 519
Direct income taxes paid	-2 714	-2 951	-23 325
Cash flow from business operations	6 764	8 921	19 194
Cash flow from investments			
Investments in tangible and intangible assets	-1 711	-2 829	-12 552
Cash flow from investments	-1 711	-2 829	-12 552
Cash flow from financing			
Dividends paid	-	-	-13 472
Cash flow from financing	-	-	-13 472
Change in cash and equivalents	5 053	6 092	-6 830
Cash and equivalents 1 January	61 652	68 482	68 482
Cash and equivalents 31 March	66 705	74 574	
Cash and equivalents 31 Dec			61 652

The estimates presented in the interim report are based on the view formed by the management, made on the basis of current facts. It is possible that the final results will differ from the estimates made in the review.

The next Interim Report will be published on 5 August 2003.

Helsinki, 12 May 2003

HEX Plc
Board of Directors

HELSINKI EXCHANGES GROUP OYJ 2000 WARRANTS

The Extraordinary General Meeting of shareholders of Helsinki Exchanges Group Oyj (hereinafter the "**Helsinki Exchanges Group**" or the "**Company**") has on 2 November 2000 decided to award warrants to the personnel of the Helsinki Exchanges Group under the following terms:

I TERMS OF WARRANTS

1. *The number of warrants*

The total number of warrants to be awarded is 1,400,000 and they entitle to subscribe altogether 1,400,000 shares of the Helsinki Exchanges Group.

2. *Warrants*

Of the warrants, 350,000 shall be indicated with the letter A, 350,000 with the letter B, 350,000 with the letter C and 350,000 with the letter D. The Company shall send the grantees a written notification of the offer of warrants. The warrants will be granted when the grantee has confirmed that he has accepted the offer made by the Company. The grantee shall be issued the warrant certificates on request when the subscription period with regard to the warrant has started unless the warrants have been incorporated in the book-entry system.

3. *Targeting of the warrants*

The warrants shall, disapplying shareholders' pre-emptive right to subscription, be granted to the personnel of the Helsinki Exchanges Group, as well as to Helsinki Securities and Derivatives Exchange, Clearing House Ltd, a fully-owned subsidiary of the Helsinki Exchanges Group. It is proposed that the shareholders' pre-emptive right to subscription be disapplied as the warrants are intended to be part of the personnel incentive scheme of the Helsinki Exchanges Group.

4. *Distribution of warrants*

The Board of Directors shall decide on the distribution of the warrants. Helsinki Securities and Derivatives Exchange, Clearing House Ltd shall be distributed warrants to the extent that they are not distributed to the personnel of the Helsinki Exchanges Group. The Board of Directors of the Helsinki Exchanges Group shall decide on the granting of the warrants to be distributed to the subsidiaries later, being distributed to persons currently employed and to be hired later by the Helsinki Exchanges Group.

5. *Transfer of warrants and offer obligation*

The holder of a warrant shall not have the right to transfer or pledge his warrants or the financial benefit incurred through them before their subscription period has started. The warrants shall be freely transferable after the subscription period has started. The Board of Directors may, however, disapplying the above, in individual cases give permission to the transfer of warrants also at an earlier stage.

Should the employment relationship of the grantee with the Helsinki Exchange Group terminate prior to 1 November 2005 for a reason other than the retirement or death of the employee, he shall, without delay, offer to the Company or to the person designated by it without consideration those warrants the subscription period of which had not started in accordance with Item II.2 on the date of termination of the employment relationship.

If the warrants have been incorporated in the book-entry system, the Company shall, regardless of whether warrants have been offered to the Company or not, have the right to collect all the warrants covered by the d offer obligation from the book-entry account of the subscriber and have them transferred to the book-entry account designated by it.

II TERMS OF SUBSCRIPTION

1. *Right to subscribe new shares*

Each warrant shall entitle to subscribe one (1) share of Helsinki Exchanges Group with a nominal value of two (2) euro. The share capital of the Helsinki Exchanges Group may, as a result of the subscriptions, increase by no more than 1,400,000 new shares, i.e., by no more than 2,800,000 euro.

2. *Subscription and payment of the shares*

The subscription period of shares shall start:

With regard to warrant A	on 1 November 2002,
With regard to warrant B	on 1 November 2003,
With regard to warrant C	on 1 November 2004 and
With regard to warrant D	on 1 November 2005.

The subscription period with regard to all warrants shall end on 30 November 2007.

The subscription of shares shall be possible only if the share of the Company are listed. The subscription of shares shall take place at the head office of the Helsinki Exchanges Group and possibly at another location to be notified later. The shares shall be paid upon subscription.

The subsidiary of the Company may not use its warrants for the subscription of shares.

3. *Redemption of warrants*

If the shares of the Company are not listed, the subscriber shall have the right to sell to the Company or to a person designated by it, and the Company or a person designated by it shall be under an obligation to redeem from the subscriber, those warrants the subscription period of which has started. The price to be paid for each warrant shall be determined by the increase in shareholders' equity in accordance with the following formula: the cumulative net result after the closing of the books of the accounting period 2000 including the adopted financial statement preceding redemption time x 9.4 % ÷ 1,400,000.

4. *Subscription price of shares*

The subscription price of a share shall be 12.50 euro.

The subscription price of a share shall be lowered on the record date of each dividend distribution by the amount of dividends to be distributed after 1 December 2000 and prior to the subscription. The subscription price of a share shall, however, always be at least the nominal value of the share.

5. *Registration of shares*

The subscribed and fully paid shares shall be registered in the book-entry account of the Subscriber.

6. *Shareholder rights*

The shares shall entitle to a dividend for the accounting period during which they have been subscribed. The other shareholder rights shall commence after the raise of the share capital has been entered in the Trade Register.

7. *Share issues, convertible bond loans and warrants prior to the subscription of shares*

If the Company, prior to the subscription, raises its share capital by a new issue or issues new convertible bonds or warrants, the holder of warrant shall have the same or equal rights as a shareholder. The equality shall be realized in a manner decided by the Board of Directors of the Company so that the number of shares available for subscription, the subscription prices or both are adjusted.

If the Company, prior to the subscription, raises its share capital with a bonus issue, the subscription ratio shall be changed so that the relative portion of the share capital relating to the shares to be subscribed for under the warrants shall remain unchanged. If the new number of shares available for subscription with one warrant were a fraction, the fraction shall be taken into consideration by lowering the subscription price.

8. *Rights in certain special cases*

If the Company, prior to the subscription, lowers its share capital, the subscription right in accordance with the terms of the option right shall correspondingly be changed in the manner referred to in more detail in the decision to lower the share capital.

If the Company, prior to the subscription, is placed in liquidation, the holders of warrants shall be reserved a possibility to exercise their subscription rights prior to the commencement of the liquidation period within a time period set by the Board of Directors.

If the Company decides to merge into another company as the merging company or to a company formed in a combination merger, or to demerge, the holders of warrants shall be reserved the possibility to exercise their subscription rights prior to the merger or demerger within a time period set by the Board of Directors. The subscription right shall not exist thereafter.

If the Company, after the commencement of the subscription period, decides to acquire its own shares in an offer made to all shareholders, an equal offer shall be made to the holders of warrants. In other cases the acquisition of the Company's own shares does not require the Company to take measures relating to the warrants.

If, prior to the termination of the subscription period, a situation in accordance with Chapter 14, section 19 of the Companies Act arises where a party holds more than 90 % of the shares of the Company and thus has the redemption right and obligation towards other shareholders, the holders of warrants shall be reserved the opportunity to exercise their subscription rights within a period of time set by the Board of Directors.

A shareholder who holds over two-thirds (2/3) of the votes or the shares of the Company shall have to offer to redeem the warrants at a market price after the commencement of the subscription period. The market price of a warrant shall be deemed to be the trade weighted average price paid for the shares of the Company by the shareholder with the redemption obligation during the twelve (12) months preceding the beginning of the redemption obligation less the subscription price. If the shares of the Company are publicly traded, the provisions of the Securities Markets Act shall be applied instead.

If the nominal value of a share changes so that the share capital remains the same, the subscription terms of the warrants shall be adjusted so that the total nominal value of the shares available for subscription and the total subscription price remain unchanged.

The change of the Company from a public limited company into a private limited company shall not result in any changes in the terms of the warrants.

9. *Settlement of disputes*

Any disputes relating to the warrants shall be settled in arbitration in accordance with the rules of the Arbitration Board of the Central Chamber of Commerce.

10. *Other issues*

The Board of Directors of the Company may later decide on the transfer of the warrants to the book-entry system and the technical changes to be made in the terms as a result thereof. The Board of Directors of the Company shall decide on any other issues relating to the warrants. The documents relating to the warrants are available for public inspection at the head office of the Helsinki Exchanges Group in Helsinki.

C. COMBINATION AGREEMENT

The Appendices mentioned in the Combination Agreement are not attached to this Prospectus.

This **COMBINATION AGREEMENT** (hereinafter the "**Agreement**") dated as of 20 May 2003, is made between:

> **HEX Oyj**, a public limited company incorporated and existing under the laws of Finland (hereinafter referred to as "**HEX**"); and
>
> **OM AB** (publ), a public limited company incorporated and existing under the laws of Sweden (hereinafter referred to as "**OM**"),
>
> with HEX and OM each together with its relevant subsidiaries and affiliate companies from time to time, referred to as "**Party**" or collectively as the "**Parties**".

RECITALS:

WHEREAS, OM is a public limited company organised and existing under the laws of Sweden (Business Identity Code 556243-8001), having its registered domicile in Stockholm, Sweden, with a fully paid share capital of SEK 168,082,236 as at the date hereof, consisting of 84,041,118 shares quoted on Stockholmsbörsen AB in lots of 200 shares (the company code being SE0000110165), and with outstanding convertible debentures equivalent to 340,400 new shares and outstanding warrants corresponding to 447,300 new shares in OM, which together with the registered share capital constitute, upon a full conversion and utilization thereof, a fully diluted share capital of SEK 169,657,636, consisting of 84,828,818 shares;

WHEREAS, HEX is a public limited company incorporated and existing under the laws of Finland (Business Identity Code 1110552-9), with a fully paid share capital of EUR 26,943,456, consisting of 13,471,728 shares with a nominal value of EUR 2 each, and with outstanding option rights equivalent to 1,259,175 new shares in HEX, having its domicile in Helsinki, Finland;

WHEREAS, the Parties have agreed upon a Nordic Vision Statement, attached hereto as Appendix 1, and are of the opinion that it is of utmost importance that the Nordic marketplace is an attractive and lucrative listing place for local and international issuers and an interesting market for local and international market participants, and that it can be realized by forming a strong and sizable regional Nordic entity, with required critical mass and capability to offer cost effective services at a competitive fee level. Therefore the Parties shall strive for further consolidation of the Nordic cash and derivatives exchanges, clearing and settlement systems and central securities depositories. Further Nordic consolidation shall be taken into account in the structure of OM HEX and design of OM HEX market. The Parties believe that the key success elements of the vision are on one hand to keep and develop the Nordic market model and on the other hand to meet the global market participants' needs for cost effective cross border services and thereby obtain critical mass through one unified service interface;

WHEREAS, the Boards of Directors of HEX and OM have determined to create a competitive pan-Nordic infrastructure for securities and derivatives market trading by combining their business and, forthwith, by inviting other Nordic stock exchanges, clearing houses and central securities depositories to join the OM HEX group through a merger or other form of co-operation, with a view to harmonise the market self-regulation and to preserve and secure a sufficient influence and decision-making power on the national level and the availability of competitive and fair-priced trading and clearing services, in each participating country, as set forth in this Agreement (hereinafter the "**Combination**", and the merged group hereinafter the "**OM HEX Group**");

WHEREAS, in order to achieve competitive infrastructure, to facilitate its strategic potential to engage in further consolidation and to secure the equal treatment of all entities belonging to the OM HEX Group, OM HEX shall be structured into two legal and operational divisions, Transaction division and Technology division, which both will be controlled by a listed holding company with as light organisation and as few operations as practicable, and all services provided within the OM HEX Group shall be priced transparently on an arm's length basis. The Transaction division shall be named HEX and the Technology division shall be named OM Technology;

WHEREAS, the OM HEX Group shall pursue its business activities on a commercial basis with a long term profit maximising objective in order to provide shareholder value;

WHEREAS, the headquarters and domicile of the Transaction division shall be in Helsinki, the headquarters and domicile of the Technology division shall be in Stockholm, and the corporate headquarters and domicile of OM HEX Group shall be in Stockholm;

WHEREAS, HEX and OM have on 5 February 2003 entered into a mutual confidentiality agreement (the "**Confidentiality Agreement**"), relating to the treatment and disclosure of confidential information regarding the Parties in connection with the preparations for the Combination;

WHEREAS, upon the terms and subject to the conditions of this Agreement and in accordance with the Time Schedule (Appendix 2), the Parties intend that, in order to effect the integration of HEX and OM, OM will acquire, pursuant to an exchange offer (the "**Offer**") and, if necessary, through a compulsory acquisition proceedings in accordance with the Finnish Companies (734/1978, as amended) (the "**Companies Act**"), all of the issued and outstanding shares of HEX and all of the shares of HEX to be issued on the basis of HEX's option program adopted on 30 November 2000, with the nominal value of EUR 2 each (the "**HEX Shares**") and all the issued and outstanding option rights in A-, B-, C- and D-series on the basis of HEX's option program adopted 30 November 2000, hereinafter the "**HEX Warrants**");

WHEREAS, as a result of the Completion of the Offer, HEX will become a subsidiary of OM and the shareholders of HEX will receive newly issued ordinary shares of each share with an accounting par value of SEK 2, ranking pari passu in all respects with the existing issued and outstanding shares of OM (the "**OM Shares**");

WHEREAS, subject to the provisions set forth in Sections 4.4.3, 4.4.4 and 4.4.5 below, the Boards of Directors of HEX and OM have each approved this Agreement, and the Board of Directors of HEX intends to recommend to the shareholders of HEX that they tender their HEX Shares in the Offer and vote to approve any and all resolutions necessary to effect the Offer and the other transactions contemplated herein at an extraordinary general meeting to be called and held for such purpose, and the Board of Directors of OM intends to recommend to the shareholders of OM that they vote to approve any and all resolutions necessary to effect the Offer and the other transactions contemplated herein at an extraordinary general meeting to be called and held for such purpose;

WHEREAS, certain shareholders of HEX listed in Appendix 4 hereto have agreed to facilitate the execution of the transactions contemplated hereby and, to that effect, provided OM and HEX with a support letter in a form attached hereto as Appendix 5; and

WHEREAS, OM is fully aware of the voting restrictions concerning the decision-making in the shareholders' meetings of HEX or its parent company, as the case may be, set forth in the Finnish Securities Market Act of (495/1989, as amended) and the Act on Trading in Standardized Options and Futures of (772/1988, as amended), and of the supervisory functions and powers of the Finnish Financial Supervisory Authority, with respect to HEX and its related and/or affiliated entities.

NOW THEREFORE, the Parties hereto hereby agree as follows:

1. Exchange Offer and Combination Conditions

1.1 Provided that this Agreement shall not have been terminated in accordance with its terms, OM shall commence the Offer, substantially in form of the terms attached to this Agreement as Appendix 3, as soon as practicable after the date hereof and, in any event, no later than 15 (fifteen) business days following the approval by the Finnish and/or Swedish Financial Supervisory Authority of the tender offer document and/or listing particulars to be issued in relation to and in connection with the Offer; and, subject to the conditions of the Offer set forth in Section 1.4 below, OM shall make an offer to the shareholders of HEX, to exchange 1 HEX share for 2.5 OM Shares held by HEX shareholder (the "**Exchange Offer**"). Furthermore, provided that this Agreement shall not have been terminated in accordance with its terms and subject to the conditions of the Offer, OM shall make an offer to the holders of HEX Warrants, as set forth in Section 1.5 a) below (the "**Warrant Offer**").

1.2 In connection with the Exchange Offer, OM will only issue whole OM Shares. If and to the extent the holders of HEX Shares are entitled to fractions of OM Shares as a result of the application of the Exchange Offer ratio referred to in Section 1.1 above, such fractional entitlements will be sold on Stockholmsbörsen AB and the cash considerations received in respect thereof will be distributed to such holders in lieu of such fractional OM Shares.

1.3 Should HEX change the number of HEX Shares, or should OM change the number of OM shares or securities convertible or exchangeable into or exercisable for OM shares, issued and outstanding prior to the date hereof as a result of a new issue, reclassification, stock split (including a reverse split), dividend or distribution, re-capitalization, merger, subdivision, issued tender or exchange offer for the issuer's own shares or other similar transaction with a dilutive effect (other than the transactions contemplated by this Agreement), or if a record date with respect to any of the foregoing shall occur prior to the consummation of the Offer, the Exchange Offer ratio referred to in Section 1.1 above shall be equitably adjusted.

1.4 The obligation of OM to accept for payment and pay for HEX Shares and HEX Warrants tendered pursuant to the Offer shall be subject only to the satisfaction or, if permitted by applicable law, prior waiver (by both Parties in writing) of the following conditions (the "**Offer Conditions**"):

a) that the aggregate number of (A) shares validly tendered in the Exchange Offer, and (B) the present shareholding of OM in HEX, in the reasonable judgement of OM, exceeds 90 percent of the aggregate number of (a) all issued and outstanding shares of HEX and (b) the shares represented by all the Warrants not validly tendered in the Warrant Offer, enabling OM to conduct a redemption proceeding pursuant to the Finnish Companies Act, even if all the warrant holders having not accepted the Warrant Offer would exercise all their HEX Warrants and subscribe for new shares in HEX;

b) that the matters contemplated by Section 2.1 of this Agreement shall have been approved by the vote of the shareholders of OM in accordance with Swedish law;

c) that no court of competent jurisdiction or any governmental or regulatory authority, agency or other similar entity shall have issued or entered any order, which has the effect of making any of the transactions illegal or otherwise prohibiting their consummation and the transactions shall not otherwise be illegal under any applicable competition law or regulation;

d) that no court of competent jurisdiction, competition authority or any governmental or any other regulatory authority, agency or other similar entity shall have imposed further conditions to their consent or decision to approve any of the transactions contemplated by this Agreement, which further conditions have not been accepted by each of the Parties, as decided by each of the Parties in their reasonable opinion;

e) that any waiting period (and any extension thereof) applicable to the consummation of the transactions under any competition, merger control or similar law of the European Union, Sweden, Finland or any other relevant jurisdiction (including without limitation Estonia and Latvia), shall have expired or been terminated;

f) that all consents, approvals, authorisations and registrations (including without limitation those set forth in Sections 4.1.1 and 4.1.2 below) required to be obtained from the applicable regulatory entities to consummate the transactions contemplated by this Agreement shall have been obtained; and

g) that the Combination Conditions set forth in Section 1.5 of this Agreement shall have been satisfied or waived, as the case may be, by both Parties in writing.

1.5 The obligation of the Parties to complete the transactions contemplated by this Agreement, or to permit the consummation of such transactions, shall be subject only to the satisfaction or, if permitted by applicable law, prior waiver (by both Parties in writing) of the following conditions (the "**Combination Conditions**"):

a) that OM has made the offer to the holders of HEX Warrants substantially in form of the terms attached hereto as <u>Appendix 3</u>;

b) that OM has offered to the employees of HEX a participation in the general OM-group remuneration program (on terms equal to those applicable to the participating OM employees) based on three tiers: (i) a base salary, (ii) a key contributor bonus, which is a discretionary cash bonus, to reward outstanding individual performance, and (iii) a tier emphasising the importance of increased shareholder value and a long-term planning focus by introducing an equity related program;

c) that OM has offered an integration bonus for employees in OM and HEX who are of significant importance for the successful integration of OM and HEX. The integration bonus shall only be paid out if the key employee has achieved clearly defined, challenging and significant goals for the integration of OM and HEX. The aggregated integration bonus paid out shall not exceed SEK 35,000,000, and no individual shall receive more than 100 percent of his or her annual base salary. The integration bonus is divided into two steps relative to agreed and established goals. The first step is up to an aggregated total of SEK 15,000,000 and the second step is the remaining SEK 20,000,000 of the SEK 35,000,000. Fifty (50) percent of the inte gration bonus shall be paid out nine (9) months following the Closing Date and the remaining fifty (50) percent shall be paid out 21 months following the Closing Date, as decided by the Board of Directors of OM HEX.

d) that the OM Shares to be issued pursuant to the Exchange Offer shall have been authorised for listing on Stockholmsbörsen AB;

e) that all requisite approvals and authorisations for declaring a dividend referred to in Sections 2.4 and 4.2.2 (viii), payable by HEX to its shareholders shall have been obtained;

f) that this Agreement shall not have been terminated by either OM or HEX in accordance with its terms; and

g) that the Offer Conditions set forth in Section 1.4 of this Agreement shall have been satisfied or (if permitted by applicable law) waived, as the case may be, by both Parties in writing.

1.6 The initial expiration date of the Offer shall be the date which is not later than 45 business days after the date on which the Offer commences (such date, as it may be extended from time to time as hereinafter provided, the "**Expiration Date**") and, provided that this Agreement shall not have been terminated in accordance with its terms, may be extended by a separate agreement in writing by and between OM and HEX from time to time thereafter until such time as all of the Offer Conditions set forth in Section 1.4 above have been satisfied. The Expiration Date shall not be extended further than 30 November 2003 (hereinafter the "**Long Stop Date**"). Subject only to the conditions set forth in Sections 1.4 and 1.5 above, OM shall accept for exchange all HEX Shares and acquisition of HEX Warrants, validly tendered and not withdrawn pursuant to the terms of the Exchange Offer at the earliest practicable time following the Expiration Date (hereinafter the "**Closing Date**"). HEX's shareholders may only withdraw given acceptance of the Offer before OM has announced the proper fulfillment or waiver, as the case may be, of the Offer Conditions and its obligation to complete the Offer in accordance with the terms and conditions of the Offer.

1.7 The Offer shall lapse:

(i) unless the Offer Conditions have been and continue to be satisfied or, where appropriate, have been waived by both Parties in writing, prior to the close of business on the Expiration Date; or

(ii) if this Agreement is terminated in accordance with the terms of Section 5 below;

and, on such lapse, OM shall release all HEX Shares and HEX Warrants tendered pursuant to the Offer, as soon as reasonably practicable.

1.8 As soon as reasonably practicable after the Closing Date, and subject only to the fulfillment of the condition of the number and voting power of the then-outstanding HEX Shares referred to in Section 1.4 a) above, OM shall take all actions necessary under Finnish law to complete the compulsory acquisition under Chapter 14, Section 19 of the Companies Act to acquire all the remaining issued and outstanding HEX Shares.

1.9 For the purposes of establishing an efficient, transparent and long term profitable corporate group the parties agree that the legal structure shall be set alongside with the governance and operational structure as set out in Appendices 8 and 10, unless the Board of Directors of OM HEX decides that there are legal, tax or other cost inefficiencies related to such a structure. Subject to these conditions the parties agree that:

(i) OM shall transfer the ownership of all of the then-outstanding shares and other instruments entitling to the share capital held directly or indirectly by OM in Stockholmsbörsen AB and/or in any other entity carrying out any part of the current activities of Stockholmsbörsen AB at the time of the transfer from OM to HEX in form of the deed of transfer attached hereto as Appendix 6; and

(ii) HEX shall transfer the ownership of all of the then-outstanding shares and other instruments entitling to the share capital held directly or indirectly by HEX in HEX Securities Ltd Oy, HEX Back Office and Custody Services Ltd Oy, from HEX to OM in form of the deed of transfer attached hereto as Appendix 7.

1.10 As soon as reasonably practicable after the Closing Date, OM and HEX shall implement the agreed branding principles.

2. Combination

2.1 In order to effect the contemplated Combination, OM shall, as promptly as practicable after the date of this Agreement and in any case by the end of the Offer Period, call an extraordinary general meeting of its shareholders at which its shareholders will be asked, conditional upon the Completion of the Offer,

(i) to adopt the necessary resolution to authorise the Board of Directors of OM for the issuance of the number of up to 31,582,714 new OM Shares required for OM to exchange, in accordance with the Exchange Offer ratio set forth in Section 1.1 above, for all the HEX Shares tendered pursuant to the terms of the Exchange Offer, each new OM Share entitling to the same rights, as of the date of their issuance, as the existing ordinary shares of OM;

(ii) to elect as directors of OM, effective as of the Closing Date, the persons nominated by each of the Parties, and set forth in Appendix 8 hereto;

(iii) to approve, if and to the extent required under applicable law, regulations or contractual obligation, the transfer of certain shareholdings of OM from OM to HEX, as set forth in Section 1.9 (i) above;

(iv) to adopt the new business name OM HEX AB (publ) for OM; and

(v) to adopt any and all changes instigated or required by the provisions of this Agreement or the transactions contemplated hereby, to its Articles of Association as set forth in Appendix 9.

2.2 Conditional upon the Completion of the Offer, the Parties commit themselves to implement, without delay after the Closing Date, the agreed business model and governance structure for the OM HEX Group, as in more detail set forth in Appendices 8 and 10 hereto.

2.3 Conditional upon the Completion of the Offer, OM commits itself to seek for listing of its shares on Helsinki Stock Exchange by 15 September 2003.

2.4 HEX shall, as promptly as practicable after the date of this Agreement, (i) call an extraordinary general meeting of its shareholders at which its shareholders will be asked to amend the Articles of Association of HEX by changing the accounting period to end on 30 June 2003, and, as soon as practicable after the registration of the change of the accounting period and in any case not later than by the end of the Offer Period, (ii) call an annual general meeting of its shareholders at which its shareholders will be asked (a) to take the decisions set forth in paragraph 12 of the Articles of Association of HEX (including the declaration of a dividend payable to its shareholders in accordance with Section 4.2.2 (viii)), and, conditional upon the Completion of the Offer, if and to the extent required under applicable law, (b) to approve the transfer of certain shareholdings of HEX from HEX to OM, as set forth in Section 1.9 (ii) above, (c) to decide upon the transferability of the HEX Warrants, and (d) to adopt any and all changes instigated or required by the provisions of this Agreement or the transactions contemplated hereby, to its Articles of Association.

3. Representations and Warranties

OM and HEX represent and warrant to the other and the shareholders of the other Party as set forth in Appendix 11 hereto (hereinafter referred to as the "**Representations and Warranties**").

4. Covenants

4.1 Required Approvals

4.1.1 OM shall be solely responsible for (i) filing all necessary notifications, applications and requests to the competition authorities in any relevant jurisdiction and to the Finnish Financial Supervisory Authority and the Ministry of Finance, for providing the authorities with the notification referred to in Chapter 3, Section 2d and, respectively, Chapter 4a, Section 3a of the Finnish Securities Market Act, as well as in Chapter 2, Section 3a of the Act on Trading in Standardized Options and Futures and in Section 12b of the Finnish Act on the Book-Entry System (826/1991, as amended) and all other relevant laws and regulations, within the time prescribed by such applicable laws or regulations or within any other shorter time, as may be agreed by the Parties when such an obligation arises, (ii) promptly responding to any requests for further information or clarifications in connection therewith, and (iii) otherwise conducting the proceedings efficiently with a view forward obtaining the approval of all the relevant authorities in the most expedient manner possible.

4.1.2 Each of the Parties shall use their respective reasonable best efforts to do or cause to be done and assist and co-operate with each other in doing all things necessary or advisable to cause the transactions contemplated by this Agreement to be completed in the most expedient manner reasonably possible (including obtaining of all necessary waivers, consents, approvals and authorisations from regulatory authorities and third parties, the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purpose of, this Agreement).

4.1.3 The Parties shall reasonably co-operate and consult with each other in connection with the making of all such requests for waivers, consents, approvals, authorisations and/or filings and none of the Parties shall file or submit any such document without providing the other Party with an opportunity to review and comment on such requests or filings and to participate in any negotiations with the authorities in connection with such waivers, consents, approvals, authorisations and/ or filings.

4.1.4 In case any regulatory or competition authority, agency or other similar entity has imposed further conditions to their consent or decision to approve any of the transactions contemplated by this Agreement, as set forth in Section 1.4 (d) above, the Parties shall enter into good faith negotiations in order to alleviate or diminish the economical effects or outcome of such further conditions, it being understood, however, that nothing in this Section 4.1.5 shall effect the Parties' right or deprive either of the Parties from their right, to terminate this Agreement under Section 5.1 (c) below.

4.2 Conduct of Business Prior to Closing

4.2.1 Subject to the written consent of the other Party, which consent shall not be unreasonably withheld or delayed, each of the Parties agrees that, between the date of this Agreement and the Closing Date, the business of such Party and any and all of entities in which such Party holds a majority of the voting power (hereinafter the "**Subsidiaries**") shall be conducted only in the ordinary course of business consistent with past practice. This implies that each of the Parties shall:

(a) conduct and shall procure that each of their respective Subsidiaries conduct, its business in consistency with past practice and in compliance with all applicable laws, rules and regulations, use all reasonable efforts to maintain and preserve intact its business organisation, assets, business relationships and the service of the employees presently performing services for it;

(b) maintain and shall procure that each of their respective Subsidiaries maintain, all authorisations as are necessary in order to enable it or the Subsidiaries, as the case may be, to own and conduct its business as presently conducted; and

(c) maintain and shall procure that each of their respective Subsidiaries maintain, its books, accounts and records in the usual, regular and ordinary manner.

4.2.2 Without restricting the generality of the foregoing Section 4.2.1, the actions by each of the Parties and/or their respective Subsidiaries deemed to be outside the ordinary course of business shall include the following (excluding any action taken on the basis or as a result of, the provision of this Agreement):

(i) entering or agreeing to enter into any capital commitments or any contract involving any expenditure on capital account or the purchase of any capital equipment or other items of a capital nature, or disposing of any part of their intellectual property rights owned or operated under a license or permitting any liens to arise on any of their material fixed assets (otherwise than in the ordinary course of business), in case such agreement, commitment or disposal would materially affect or otherwise alter the nature or the scope of the current business or the goals and purpose of the transactions contemplated hereby;

(ii) entering, negotiating or agreeing to enter in or negotiate on any joint venture, co-operation or similar arrangement;

(iii) making any changes to its adopted systems for margining, trading or clearing or solidity requirements;

(iv) settling or disposing of or granting any option in respect of the whole or a substantial part of the undertaking or the assets;

(v) incurring any indebtedness or other liability on account of fees or charges for products or services except on an arm's length basis in the ordinary course of business;

(vi) giving any guarantee or indemnity other than as part of contracts entered into on an arm's length basis in the ordinary course of business;

(vii) creating, extending, granting or issuing or agreeing to create, extend, grant or issue any mortgages, charges, debentures or other securities;

(viii) declaring any dividend or making any distribution whether of capital or of income, it being understood that nothing in this Agreement shall affect HEX's right to declare and pay a dividend of not more than EUR 2.20 per HEX Share existing at the time of the record date for the payment of the dividend to its existing shareholders and in any event not more than EUR 32,420,967 in aggregate;

(ix) proposing to the shareholders' meeting to issue or agree to issue any shares or securities convertible into, or rights, warrants or options to subscribe for or acquire, any shares or convertible securities of such Party other than in accordance with their existing option programs as in effect as of the date hereof or on the basis of the transactions contemplated by this Agreement;

(x) creating or issuing or agreeing to create or issue any loan capital or giving or agreeing to give any option in respect of such loan capital;

(xi) amalgamating or merging with any other company or acquiring any shares in any other company or entering into or agreeing to enter into any partnership or joint venture; and

(xii) purchasing, redeeming or repaying, or proposing the purchase, redemption or repayment of, any of its shares or securities or proposing the reduction, or making any changes to any part, of its share capital, other than on the basis of the transactions contemplated by this Agreement.

4.3 Notices of Certain Events

4.3.1 From time to time prior to the Closing Date, each of the Parties shall give prompt notice to the other of (i) any occurrence or non-occurrence of an event which would be likely to result in a material adverse effect in the financial and/or operational position of either of the Parties or cause any Representation or Warranty contained in this Agreement and its Appendices to be untrue or inaccurate at or prior to the Closing Date and (ii) any failure on its part to perform, comply with or satisfy any agreement or covenant to be performed, complied with or satisfied by it hereunder, provided, however, that the delivery of any such notice shall not be deemed to cure any breach of any such Representation, Warranty or covenant and shall not limit or otherwise affect the remedies available hereunder to any Party.

4.3.2 Any and all notices or information given or furnished by a Party hereunder shall be governed by the Confidentiality Agreement.

4.4 Transaction Documents

4.4.1 As soon as practicable after the execution of this Agreement, OM and HEX shall jointly issue a press release on the basis of the forthcoming Offer.

4.4.2 OM shall be responsible for preparing the required tender offer and listing prospectuses in connection with the Exchange Offer that will constitute the basis for

(i) the offer to purchase HEX Shares and HEX Warrants by OM in connection with the Offer;

(ii) the documentation to OM's shareholders for the OM shareholders' meeting referred to in Section 2.1 above;

(iii) listing of the OM Shares to be issued pursuant to the Exchange Offer on Stockholmsbörsen AB (such listing prospectus, identical in form to the prospectus to be launched in Finland, to be prepared in accordance with chapter 4, sections 18-26 of the Swedish Companies Act); and

(iv) listing of the OM shares on the Helsinki Stock Exchange

(each such document collectively referred to as the "**Transaction Documents**"). For the purposes of compiling the Transaction Documents, HEX shall provide OM with the information on HEX and its business as required and described under Finnish applicable law concerning listing at Helsinki Exchanges and offering in Finland, including but not limited to the Regulations 539/2002 and 540/2002 of the Finnish Ministry of Finance on offering and listing particulars.

The Board of Directors of OM shall be responsible for the accuracy and completeness of the information in the Transaction Documents on OM and OM HEX as well as any interpretations or conclusions drawn on the information provided by HEX whereas the Board of Directors of HEX shall only be responsible for the accuracy and completeness of the information in the Transaction Documents under Finnish law on HEX on a stand-alone basis.

4.4.3 Provided that this Agreement shall not have been terminated in accordance with its terms and each of the Parties have duly and properly complied and continue to comply with all of their respective obligations contained herein, the Transaction Documents shall include the unanimous and unconditional recommendation of the Board of Directors of OM to the shareholders of OM that they vote as anticipated and set forth in Section 2.1 above, provided, however, that the Board of Directors of OM may, at any time prior to the Closing Date, amend, modify, withdraw, condition or qualify any such recommendation and may take any action or make any statement inconsistent with such recommendation if the Board of Directors of OM determines in its good faith judgement, after consultation with the other Party, that failure to so amend, modify, withdraw, condition or qualify its recommendation or to take such action or make such statement would cause the Board of Directors of OM to breach its fiduciary duties to OM or OM's shareholders under applicable law.

4.4.4 Subject to Section 4.4.5 and provided that this Agreement shall not have been terminated in accordance with its terms and each of the Parties have duly and properly complied and continue to comply with all of their respective obligations contained herein, HEX shall prepare an unanimous and unconditional recommendation of the Board of Directors of HEX to the shareholders of HEX and holders of HEX Warrants (in respect of the current HEX options scheme and its bonus nature) that they accept the Offer, provided, however, that the Board of Directors of HEX may, at any time prior to the Closing Date, amend, modify, withdraw, condition or qualify any such recommendation and may take any action or make any statement inconsistent with such recommendation if the Board of Directors of HEX determines in its good faith judgement, after consultation with the other Party, that failure to so amend, modify, withdraw, condition or qualify its recommendation or to take such action or make such statement would cause the Board of Directors of HEX to breach its fiduciary duties to HEX or HEX's shareholders under applicable law.

4.4.5 The Board of Directors of HEX and/or OM may, at any time prior to the Closing Date, amend, modify, withdraw, condition or qualify its recommendation referred to in Sections 4.4.3 and 4.4.4 above and may take any action or make any statement inconsistent with such recommendation if the Board of Directors of HEX receives a competing proposal from a third party to acquire HEX Shares, which competing proposal the Board of Directors of HEX determines in good faith, and after consultation with OM, to be (a) more favourable from a financial point of view to HEX or to the holders of HEX Shares and holders of HEX Warrants than the price offered in the Offer by OM, and (b) reasonably capable of being financed, and determines in good faith after having taken advice from a reputable Finnish counsel that it is in the best interest of HEX and the holders of HEX Shares and holders of HEX Warrants to make such withdrawal of, amendment, modification, condition or qualification to, or to take any action or make any statement inconsistent with, such recommendation.

4.4.6 No amendment or supplement to the Transaction Documents, involving information provided by HEX under Section 4.4.2 above will be made without the approval of HEX, which approval shall not be unreasonably withheld or delayed. OM will advise HEX, promptly after it receives notice thereof, of any request by any relevant authorities for such amendment or supplement or comments thereon and responses thereto or request by any relevant authorities for additional information.

4.5 Non-Solicitation of Bids - Exclusivity

During the period between the date hereof and the Closing Date or, in case the initial expiration date of the Offer is extended in accordance with Section 1.6 above, during a period between the date hereof and a date which is 120 days after the commencement of the Offer, each Party hereto agrees that it will not actively induce or solicit bids that constitute, or may reasonably be expected to constitute or lead to any competing transaction or otherwise hinder the completion of the transactions contemplated herein.

4.6 Public Announcements

The initial press release concerning the transactions contemplated herein shall be jointly prepared by the Parties, after which event OM shall consult with HEX before issuing any press release or otherwise making any public statements with respect to this Agreement or any transactions contemplated by this Agreement and shall not issue any such press release or make any such public statement without HEX's approval except as may be required by any applicable laws or regulations or by any applicable rules or requirements of any stock exchange.

4.7 Stock Exchange Listings

OM shall:

(i) use its best efforts to cause the OM Shares to be issued in connection with the Exchange Offer to be approved for listing on Stockholmsbörsen AB prior to the Closing Date and in any event within 5 business days thereafter; and

(ii) cause the OM shares to be approved for listing on the Helsinki Stock Exchange as soon as practicable after the Closing Date and in any event not later than by 15 December 2003.

4.8 Future Conduct

4.8.1 OM shall, at the following annual shareholder's meeting of HEX, vote for a complete discharge from liability of each current board member of HEX, as regards the period of his/her office until the date of his/her resignation, provided that the auditors recommend that such discharge be granted.

4.8.2 The combined OM and HEX shall comply with a dividend distribution policy whereby shareholders are receiving dividend in line with peers in the industry, subject to the combined entities' actual and future profitability and projected capital requirements.

4.8.3 As of the date hereof and to the extent permitted by applicable competition laws, OM and HEX shall work together, take decisions on, and device their future business plans towards, maintaining, preserving and developing the existing financial markets in the Nordic countries and in the Baltic States.

In particular, OM acknowledges and agrees, as of the date hereof, to keep HEX informed of, and treat HEX as equal partner in, any plans and prospects for further consolidation of the financial markets in Europe.

4.8.4 OM and HEX shall secure equal treatment of investors and other market participants in the Nordic countries, and fair and equal treatment of all entities belonging to OM HEX Group.

5. Termination, Amendment and Waiver

5.1 Termination

This Agreement may be terminated and the Offer may be abandoned at any time prior to the Closing Date, notwithstanding any requisite approval and adoption of this Agreement, as follows:

(a) By mutual written consent duly authorized by the Board of Directors of each of OM and HEX;

(b) By either OM or HEX (i) after the Long Stop Date if the Closing Date has not occurred by the Long Stop Date, or (ii) after the Expiration Date if the Parties have decided not to extend the Expiration Date in accordance with Section 1.6 above, whichever occurs first;

(c) By either OM or HEX, if any order, which has become final and non-appealable, preventing the consummation of the transactions, or if any consent, approval or clearance by any relevant authority is made subject to further conditions, which each or either of the Parties has not accepted, as may decided in their reasonable opinion, to any of the transactions contemplated by this Agreement shall have been entered by any court of competent jurisdiction or regulatory or competition authority;

(d) By either OM or HEX, if the proposals contemplated by Section 2.1 (excluding, however, the resolution set forth in Section 2.1 (iv) hereof) and/or 2.4 of this Agreement shall fail to receive the requisite vote for adoption at OM shareholders' meeting or HEX shareholders' meeting, as the case may be, or any adjournment or postponement thereof;

(e) By either OM or HEX, upon a material breach of any Representation, Warranty, covenant or agreement by the other Party set forth in this Agreement;

(f) By either OM or HEX, under the circumstances referred to in Section 4.4.5 above;

(g) By HEX, upon a material change in the ownership of OM prior to the Closing Date; and

(h) By OM, upon a material change in the ownership of HEX (other than resulting from the transactions contemplated by this Agreement) prior to the Closing Date.

5.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 5.1, this Agreement shall forthwith become void, there shall be no liability under this Agreement on the part of OM or HEX or any of their respective officers or directors, and all rights and obligations of each Party hereto shall cease, provided, however, that nothing herein shall relieve either Party from liability for the willful or grossly negligent breach of any of its Representations and Warranties, covenants or agreements set forth in this Agreement.

5.3 Break-up Fee

In case OM does not submit the tender offer and the Offer is not commenced for reasons other than those set forth in Section 1.4 of this Agreement, OM shall be liable for covering all reasonable costs incurred by HEX in connection with the preparation of this Agreement and the transactions contemplated hereby (including but not limited to due diligence costs and advisory fees) (the "**OM Break-up Fee**"). The OM Break-up Fee shall cover only actual, documented costs incurred by HEX, subject to a maximum amount of EUR 500,000.

In case HEX does not fulfill its obligations set forth in Section 2.4 above for reasons other than those set forth in Section 1.5 of this Agreement, HEX shall be liable for covering all reasonable costs incurred by OM in connection with the preparation of this Agreement and the transactions contemplated hereby (including but not limited to due diligence costs and advisory fees) (the "**HEX Break-up Fee**"). The HEX Break-up Fee shall cover only actual, documented costs incurred by OM, subject to a maximum amount of EUR 500,000.

5.4 Amendment

This Agreement may be amended by the Parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Closing Date. This Agreement may not be amended except by an instrument in writing signed by the Parties hereto.

5.5 Waiver

At any time prior to the Closing Date, any Party hereto may:

(i) Extend the time for the performance of any obligation or other act of the other Party hereto;

(ii) Waive any inaccuracy in the Representations and Warranties of the other Party contained herein or in any document delivered by other Party pursuant hereto; and

(iii) Waive compliance with any agreement of the other Party contained herein.

6. General Provisions

6.1 Non-Survival of Representations and Warranties

The Representations and Warranties set forth in this Agreement and its Appendix shall not survive the Closing Date. A claim on the basis of the breach of any of the Representations and Warranties shall be brought within reasonable time after becoming aware, or should have become aware, of such breach and in any event not later than on 29 February 2004.

6.2 Notices

All notices under this Agreement shall be made in writing and shall be sent by facsimile or first-class registered or recorded delivery post to the Party being served at its address and/or facsimile number set forth on the signature pages hereto and marked to the attention of any person separately designated by a Party (or to such address, facsimile number or person as the Parties may specify by due notice as aforesaid to the other).

6.3 Severable Provisions

If any part of this Agreement is held to be invalid or unenforceable, such determination shall not invalidate any other provision of this Agreement. However, the Parties hereto shall attempt, through negotiations in good faith, to replace any such part of the Agreement. The failure of the Parties to reach an agreement on a replacement provision shall not affect the validity of the remaining provisions of this Agreement.

6.4 Assignability

This Agreement and the rights and obligations specified herein shall be binding upon and inure to the benefit of the Parties hereto and shall not be assignable by either Party without the prior written consent of the other Party. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement is intended to confer upon any person other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

6.5 Governing Law - Arbitration

This Agreement shall be governed by and construed in accordance with the laws of Finland.

Any disputes arising from or relating to this Agreement or transactions agreed herein shall be resolved in arbitration in Helsinki in accordance with the rules of the Arbitration Board of the Central Chamber of Commerce in Finland. The arbitration tribunal shall consist of three (3) arbitrators, one to be appointed by HEX, one by OM and one arbitrator, serving as the chairman, by the two arbitrators so appointed. Failing the appointment of an arbitrator or the chairman, the arbitrator or the chairman, as the case may be, shall be appointed by the aforementioned Arbitration Board. The arbitration proceedings shall be conducted in the English language but evidence may be submitted also in Finnish and/or Swedish and witnesses heard in any of the said languages.

6.6 *Expenses*

Subject to Section 5.3 of this Agreement, all expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses, whether or not the Offer is consummated.

6.7 *Transfer Tax*

Applicable Finnish transfer tax (including any penalties and interest relating thereto) incurred in connection with any transfer of shares or warrants of HEX or OM, or the transactions contemplated hereby shall be paid by OM and OM shall, at its own expense, properly and on a timely basis file all necessary transfer tax and other documentation with respect to such transfer tax and provide HEX evidence of payment thereof.

6.8 *Entire Agreement*

This Agreement constitutes the entire agreement and understanding among the parties pertaining to the subject matter of this Agreement, and supersedes all prior agreements, understandings, undertakings, negotiations and discussions of such parties with respect thereto. No addition to or modification of and provision of this Agreement shall be binding upon any Party hereto unless made in writing and signed by all Parties hereto.

6.9 *Appendices Incorporated*

Each Appendix to which reference is made herein and which is attached hereto shall be incorporated in this Agreement by such reference.

In case of any discrepancy between any of the Appendices and this Agreement, the provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, OM and HEX have caused this Agreement to be executed as of the date first written above by their duly authorized respective officers.

OM AB (publ) HEX Oyj

D. PROPOSED ARTICLES OF ASSOCIATION OF OM HEX

ARTICLES OF ASSOCIATION

(company number 556243-8001)

§ 1 The name of the company is OM HEX Aktiebolag. The company is a public company (publ).

§ 2 The registered office of the company shall be situated in Stockholm.

§ 3 The object of the company's operations shall be, directly or through wholly or partly owned companies, to develop and provide IT-based systems and services for, and to own or operate, exchanges and other market-places for the financial, energy and commodities markets, clearing organizations, central securities depositories, securities institutions and fund companies, and to conduct operations compatible therewith.

§ 4 The company's share capital shall amount to not less than one hundred and sixty-eight million kronor (SEK 168,000,000) and not more than six hundred and seventy-two million kronor (SEK 672,000,000).

§ 5 Each share shall have a nominal value of two (2) kronor.

§ 6 The company's board of directors shall consist of not less than five and not more than twelve members, plus not more than an equal number of alternate members.

The members and alternate members shall be elected at the annual general meeting for a term until the close of the next annual general meeting of the shareholders.

§ 7 One or two auditors, together with not more than an equal number of alternate auditors, shall be elected at the annual general meeting of the shareholders.

§ 8 The company's financial year shall be the calendar year.

§ 9 The annual general meeting of the shareholders shall be held in Stockholm.

§ 10 The following business shall be addressed at the annual general meetings of the shareholders:

1. Election of a chairman for the meeting;
2. Preparation and approval of the voting register;
3. Adoption of the agenda for the meeting;
4. Election of one or two persons to attest the minutes of the meeting;
5. Determination of whether the meeting was duly convened;
6. Presentation of the annual report and auditors' report and where applicable the consolidated financial statement and the auditors' report for the group;
7. Resolutions regarding
   a) the adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
   b) discharge from liability of members of the board of directors and the managing director;
   c) allocation of the company's profits or losses in accordance with the adopted balance sheet;
8. Determination of the number of members and alternate members of the board of directors and, where applicable, auditors and alternate auditors to be elected by the shareholders meeting;
9. Determination of fees for members of the board of directors and, where applicable, the auditors;
10. Election of members of the board of directors and any alternate members and, where applicable, the election of auditors and any alternate auditors;
11. Other matters which are prescribed in the Swedish Companies Act or the Company's Articles of Association.

§ 11 Notice to attend shareholders' meetings shall be given by publication in the Official Gazette *(Post- och Inrikes Tidningar)* as well as *Dagens Nyheter* or *Svenska Dagbladet* or other national newspaper in Sweden and in *Helsingin Sanomat* or *Kauppalehti* or other national newspaper in Finland.

Shareholders wishing to participate at a shareholders' meeting must be registered in the print-out of the entire shareholders register reflecting the circumstances ten days prior to the meeting and must submit notice of intent to attend to the company not later than 4:00 p.m. on the day stated in the notice of the meeting. The latter date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve, or earlier than the fifth weekday prior to the meeting.

Shareholders may be accompanied at the meetings by one or two assistants provided such shareholders have provided notice thereof in accordance with the preceding paragraph.

§ 12 Any person who is registered in the shareholders register or the list prepared in accordance with Chapter 3, section 12 of the Swedish Companies Act on the established record date shall be deemed to be entitled to accept dividends, issue certificates and, in conjunction with bonus issues of shares, share certificates which inure to shareholders.

E. FAIRNESS OPINIONS

Opinion on the Exchange Offer

To the Board of Directors of HEX Plc

OPINION OF MANDATUM & CO LTD

Dear Sirs and Madams:

Mandatum & Co Ltd ("Mandatum") has acted as financial adviser to HEX Plc ("HEX") in connection with the proposed combination with OM AB (Publ) ("OM") (the transaction hereinafter referred to as the "Combination"), in accordance with the Combination Agreement that will be entered into on May 20, 2003 between HEX and OM ("Combination Agreement").

Pursuant to the Combination Agreement, OM will, subject to the terms and conditions of the Combination Agreement, offer to acquire all issued and outstanding shares in HEX, in addition to those already owned by OM (the "Exchange Offer"). Following the completion of the Exchange Offer, OM will make a redemption offer to the shareholders of HEX pursuant to the Finnish Companies' Act. In the Exchange Offer, OM will offer for each share in HEX 2.5 new shares in OM ("Consideration").

Prior to the completion of the Exchange Offer, HEX will distribute an extra dividend of EUR 2.20 per share to the shareholders of HEX.

Pursuant to the Combination Agreement, OM will offer to purchase the issued and outstanding warrants in HEX issued on November 30, 2000 for a cash consideration of EUR 5.90 per warrant.

You have requested from Mandatum our opinion, from a financial point of view, of the fairness of the Consideration to the shareholders of HEX as a whole.

In connection with Mandatum's role as financial adviser to HEX and in arriving at its opinion, Mandatum has reviewed certain publicly available financial and other information concerning HEX and OM and certain other information furnished to it by, or otherwise discussed with, HEX. In addition, Mandatum has

(i) reviewed the reported prices and trading volume for shares of OM;
(ii) reviewed certain reports regarding OM produced by third party equity research analysts;
(iii) reviewed the terms of the latest draft of the Combination Agreement made available to Mandatum and certain related documents;
(iv) prepared a valuation of HEX and OM applying certain generally accepted valuation methods, including a discounted cash flow valuation;
(v) held discussions with the key operative management of HEX and OM regarding the past and current operations, financial condition and future prospects of HEX and OM; and
(vi) reviewed and prepared such other studies and considered such other factors as it has deemed appropriate.

Mandatum has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning HEX and OM, including, without limitation, any financial information considered in connection with the rendering of its opinion. Accordingly, for the purposes of its opinion, Mandatum has assumed and relied upon the accuracy and completeness of all such information and Mandatum has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the properties, assets or liabilities of either HEX or OM.

Mandatum has based its evaluation of any financial forecasts or projections of cost savings, operating efficiencies, revenue effects or financial synergies expected to be achieved as a result of the Combination solely on information, forecasts and projections provided by HEX and OM. With respect to such information, forecasts and projections as well as other financial forecasts and projections made available to Mandatum and used in Mandatum's analyses as such or as basis for further assumptions made by Mandatum, Mandatum has assumed that they have been reasonably prepared on basis reflecting the best currently available estimates and judgments of the management of HEX or OM as the case may be, as to the matters covered thereby. In rendering its opinion, Mandatum expresses no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based.

Mandatum has assumed that adequate disclosure of OM has been made to HEX in the due diligence process and that no adverse material findings have been made.

Mandatum's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof. Any change in such conditions may require a revaluation of this opinion. It should be noted that developments subsequent to the date of this opinion may affect our views and that we do not have any obligation to update, revise or reaffirm this opinion.

For the purposes of rendering its opinion, Mandatum has assumed that, in all respects material to its analysis, the representations and warranties, if any, of HEX and OM contained in the Combination Agreement made available to Mandatum are true and correct, HEX and OM will perform all of the covenants and agreements to be performed by them under the Combination Agreement, and all conditions to the obligations to consummate the Combination will be satisfied without any material waiver thereof. Mandatum has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Combination will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either HEX, OM or any subsidiary or affiliate thereof is a party to or is subject to or by which it is bound to, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on HEX or OM or materially reduce the contemplated benefits of the Combination to HEX and/or its shareholders.

This opinion is addressed to, and for the use and benefit of, the Board of Directors of HEX in its evaluation of the Combination, and this opinion is not intended to be, and does not constitute a recommendation to any shareholder of HEX as to whether any such shareholder should tender their shares connection with the Exchange Offer. Mandatum expresses no opinion as to the merits of the underlying decision by HEX to engage in the Combination.

Mandatum has not been requested to consider, and this opinion does not address, the relative merits of the Combination as compared to any alternative business strategies that might be available for HEX to the effect of any other transaction in which HEX might engage.

Mandatum will be paid a fee for its services as financial adviser to HEX in connection with the Combination, a substantial portion of which is contingent upon the consummation of the Combination. Sampo plc and/or its other subsidiaries (together with Mandatum, the "Sampo Group") may, from time to time, provide or have provided investment banking services to HEX, OM and their respective affiliates for which they have received compensation. In the ordinary course of business, members of the Sampo Group may actively trade in the securities and other instruments and obligations of HEX or OM for their own accounts and for the accounts of their customers. Accordingly, the Sampo Group may at any time hold a long or short position in such securities, instruments and obligations.

Based upon and subject to the foregoing, it is Mandatum's opinion that, as of the date hereof, the Consideration is fair, from a financial point-of-view, to the shareholders of HEX as a whole.

Helsinki, May 18, 2003

Sincerely,

MANDATUM & CO LTD

Opinion on the Warrant Offer

To the Board of Directors of HEX Plc

OPINION OF MANDATUM & CO LTD

Dear Sirs and Madams:

HEX Plc ("HEX") has on November 30, 2000 issued 350,000 A warrants, 350,000 B warrants, 350,000 C warrants and 350,000 D warrants ("A Warrants", "B Warrants", "C Warrants" and "D Warrants", respectively, and jointly "Warrants") to the personnel of the HEX Group as a part of an employee incentive and commitment program. The number of issued and outstanding Warrants not held by HEX or its subsidiaries is, at the date hereof, 1,259,175.

Each Warrant entitles to subscribe for one new share in HEX with a nominal value of EUR 2.00. The commencement of the exercise period of the Warrants is subject to a public listing of HEX. If HEX is not subject to public listing (as it is assumed in this opinion), HEX has the obligation, upon request of a Warrant holder, to redeem A Warrants as from 1 November 2002, A Warrants and B Warrants as from 1 November 2003, A Warrants, B Warrants and C Warrants as from 1 November 2004 and A Warrants, B Warrants, C Warrants and D Warrants as from 1 November 2005.

The Warrant holders do not have the right to transfer or pledge his or her Warrants or the financial benefit incurred through them before 1 November 2002, 1 November 2003, 1 November 2004 and 1 November 2005 with respect to A Warrants, B Warrants, C Warrants and D Warrants, respectively. Thereafter each of the A Warrants, B Warrants, C Warrants and D Warrants and the financial benefit incurred through them are, respectively, freely transferable.

A Warrant holder is obliged to offer to HEX or a third party nominated by HEX, without consideration, in case the employment of such Warrant holder with the HEX Group is terminated for a reason other than the retirement or death of such Warrant holder (i) prior to 1 November 2003 the B Warrants, C Warrants and D Warrants (ii) prior to 1 November 2004 the C Warrants and the D Warrants and (iii) prior to 1 November 2005 the D Warrants held by such Warrant holder.

The Warrants and all rights and obligations related thereto will lapse on 30 November 2007.

You have requested from Mandatum & Co Ltd ("Mandatum") our opinion, from a financial point of view, of the fairness of a cash consideration of EUR 5.90 ("Consideration") to the Warrant holders, in respect of the terms of the Warrants and their bonus nature, in connection with a tender offer to the Warrant holders to be completed by the end of August 2003 ("Offer").

In arriving at its opinion, Mandatum has assumed

(i) that HEX would not be publicly listed;
(ii) that HEX would continue its current operations on a stand-alone basis and with its currents group structure, i.e., excluding from the scope of the analysis the contemplated combination between HEX and OM AB ("Combination") and the terms and condition of the combination agreement entered into between the Board of Directors of HEX and OM on May 20, 2003 ("Combination Agreement");
(iii) that, notwithstanding the redemption schedule pursuant to the terms and conditions of the Warrants, the payment for the A Warrants and B Warrants will be received by the Warrant holders not later than by the end of September 2003 and for the C Warrants and D Warrants not later than by the end of May 2004;
(iv) that Warrant holders will be, notwithstanding the terms and conditions of the Warrants, entitled to the Consideration for all of his or her Warrants in full provided that a Warrant holder has not terminated his or her employment relationship or his or her employment has not been terminated on individual grounds in the end of May 2004 at the latest.

In arriving at its opinion, Mandatum has reviewed certain publicly available financial and other information concerning HEX and certain other information furnished to it by, or otherwise discussed with, HEX. In addition, Mandatum has

a) reviewed the terms and conditions of the Warrants;
b) prepared a valuation of the Warrants based on the financial estimates of HEX provided by HEX;
c) held discussions with the key management of HEX regarding the past and current operations, financial condition and future prospects of HEX on a stand alone basis; and
d) reviewed and prepared such other studies and considered such other factors as it has deemed appropriate.

Mandatum has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning HEX, including, without limitation, any financial information considered in connection with the rendering of its opinion. Accordingly, for the purposes of its opinion, Mandatum has assumed and relied upon the accuracy and completeness of all such information and Mandatum has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the properties, assets or liabilities of HEX.

Mandatum has based its evaluation of any financial condition, financial forecasts and future prospects and risks of HEX solely on information, forecasts and projections provided and/or verified by HEX. With respect to such information, forecasts and projections as well as other financial forecasts and projections made available to Mandatum and used in Mandatum's analyses as such or as basis for further assumptions made by Mandatum, Mandatum has assumed that they have been reasonably prepared on basis reflecting the best currently available estimates and judgements of the management of HEX as to the matters covered thereby. In rendering its opinion, Mandatum expresses no view as to the reasonableness of such forecasts and projections or the assumptions on which they are based.

Mandatum's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it, excluding information concerning the Combination or the Combination Agreement, as of the date hereof. Any change in the observed conditions may require a revaluation of this opinion. It should be noted that developments subsequent to the date of this opinion may affect our views and that we do not have any obligation to update, revise or reaffirm this opinion.

This opinion is addressed to, and for the use and benefit of, the Board of Directors of HEX in its evaluation of the Consideration and this opinion is not intended to be, and does not constitute a recommendation to any Warrant holder as to whether any such holder should tender their Warrants in connection with the Offer.

Mandatum will be paid a fee for its services as financial adviser to HEX in connection with the Combination, a substantial portion of which is contingent upon the consummation of the Combination. Sampo plc and/or its other subsidiaries (together with Mandatum, the "Sampo Group") may have, from time to time, provided investment banking services to HEX, OM AB and their respective affiliates for which they have received compensation. In the ordinary course of business, members of the Sampo Group may actively trade in the securities and other instruments and obligations of HEX or OM AB for their own accounts and for the accounts of their customers. Accordingly, the Sampo Group may at any time hold a long or short position in such securities, instruments and obligations.

Based upon and subject to the foregoing and the limited scope of this opinion, it is Mandatum's opinion that, as of the date hereof, the Consideration is fair, from a financial point-of-view, to the Warrant holders.

Helsinki, June 16, 2003

Sincerely,

MANDATUM & CO LTD

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